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BUILDERS

# Market Assessment of South 12th Avenue Corridor

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## Executive Summary

The South 12<sup>th</sup> Avenue Corridor (Corridor) provides unique opportunities for the City of Tucson and its stakeholders to enhance and expand an existing vibrant business community, and enhance and expand a destination focused on its cultural and culinary richness, while improving living conditions for its residents, and performing needed infrastructure improvements.

Multiple studies have demonstrated the need for investment in the Corridor, while also documenting its strengths, including a core of seasoned businesses that promote a vibrant identity which builds upon and caters to their ties with the Hispanic community. This organic community bond has attributes that cannot be duplicated in larger regional retail venues.

The Corridor contributes to the local economy through significant tax contributions, with reported total Corridor sales in 2017 of \$122,496,711, thereby generating \$3,062,418 in sales tax revenue to the City. Based on a leakage analysis, significant increases in revenue and taxes can be achieved by targeting the Corridor's strengths which draw purchasers from outside the trade area, as well as addressing the leakage that occurs as a result of not offering certain goods and services locally, such as automotive sales, home furnishings, lawn & garden stores, general and used merchandise, electronics, direct sales, special food services, and drinking places.

The convergence of the UNESCO World Heritage designation, the City's strategic direction to treat South 12<sup>th</sup> as a future growth area as established in Plan Tucson, the City of Tucson General and Sustainability Plan, and the corridor's status as a high stress area, as defined by the City of Tucson's Composite Stress Index, make a case for strengthening the corridor's cultural identity to create a resilient economy and cultural destination. The City now has the opportunity to create a policy framework for creating growth in these areas, strategize the programming of available resources, pursue additional funding opportunities, and serve as the catalyst for private investment.

To reinforce the concept of the City as catalyst, available resources should be considered, and all corridor expenditures should be targeted, prioritized, and executed to provide the greatest benefits to the Corridor. Goals should be prioritized to address short-, medium-, and long-term goals. Where possible, project implementation efforts should be structured so that each subsequent effort builds on previous accomplishments. As a first investor, the City could initiate a landmark development to stimulate market demand, while ensuring development is reflective of Corridor needs and provides clear community-benefit.

Investing in the Corridor will serve to:

1. Expand the City's tax base by facilitating the creation of new businesses and expansion of existing businesses
2. Provide employment and business ownership opportunities for area residents
3. Upgrade and preserve commercial and residential properties, and infrastructure
4. Capitalize on the City's UNESCO designation as a World City of Gastronomy by expanding on the existing landmark food businesses, implementing a wayfinding program, and

enhanced marketing campaigns that focus on the theme of gastronomy and area culture, such as conducting food festivals, heritage-day events, or themed cook-off events

5. Create avenues for access to capital by entrepreneurs

In order to conduct granular and detailed feasibility analyses, City staff and leadership must establish goals and project priorities, as well as how Department of Housing and Urban Development funds might be allocated to structure specific projects and program design. What follows are potential project recommendations:

### Key Gateways

Establish the intersections of S. 12th Avenue and W. Ajo Way and S. 12th Avenue and W. Nebraska Street as Key Gateways for anchoring corridor improvement efforts. These intersections benefit from their:

1. Development potential resulting from the ability to assemble undeveloped and underdeveloped land to create higher impact developments
2. Proximity to a number of landmark destination food businesses that can formulate the core of expansion businesses, introduction of new businesses, and the basis for business development services
3. High visibility resulting from high traffic counts and high Sun Tran ridership levels, that also contribute to making them an ideal location for destination identification as part of a larger wayfinding effort.

### Phased Short Term, Mid-Range, and Long-Term Activities

In conjunction with the Key Gateways, there are a number of potential short-, medium-, and long-term activities that should be considered. Implementation will be based on funding availability and City determinations regarding prioritization; these activities include:

1. Engage in the strategic assembly of land for a landmark development such as senior housing with a community space
2. Promote community-based Small Business Development Services that provide assistance and training in business viability, entrepreneurial skills, government requirements, and other business-related planning and implementation needs to promote expansion of existing businesses, formalization of existing informal businesses, and development of new businesses
3. Together with small business development, provide capacity building support to providers of capital such as small business lenders or Community Development Finance Institutions (CDFIs) that will fund business expansion or development efforts

4. Focus on the expansion of food themed businesses by supporting the creation of a Commercial Kitchen/Incubator that can serve as a launching pad for the development of new businesses and formalization of informal businesses, while providing technical assistance within a culturally sensitive environment. This could include support to the YWCA in their effort to launch a commercial/commissary kitchen in close proximity to the S. 12th Avenue corridor.
5. Support a community-based non-profit partner in pursuing Department of Health and Human Services, Office of Family Services Community Economic Development (CED) grant funds, to support the creation or operation of a commercial kitchen.
6. Actively market the City's UNESCO designation as a City of Gastronomy with a wayfinding program that includes a signage program, expanded marketing efforts, and food themed events within the corridor
7. Provide funding assistance for façade renovations, signage improvements, and parking circulation improvements for existing businesses
8. Fund a District Manager position to oversee activities as multiple expansion and development efforts are implemented
9. Maintain residential rehabilitation and repair programs that enhance existing corridor housing
10. Perform infrastructure improvements for sidewalks, bus shelters, street improvements, bicycle lanes, and other such capital projects
11. Leveraging investments in anchor businesses to create job training opportunities
12. Relocate public and non-profit providers to the corridor to assist in reducing vacancy rates, and expand commercial traffic potential in the corridor
13. Continue to build relationships with high-capacity community based non-profit partners that can leverage City funds with those unavailable to the City
14. To provide greater flexibility in the expenditure of CDBG resources, consider submitting for HUD approval of a Neighborhood Revitalization Strategy Area (NRSA)
15. Consider a new application for a Section 108 loan to generate sufficient capital to pursue major physical and economic revitalization projects

## II. Methodology

Development of the Market Assessment for the South 12<sup>th</sup> Avenue Corridor entailed the utilization of a number of research methods, inclusive of:

### Data Collection from City and External Records

Data from third-party sources such as the City of Tucson, the Pima County Assessor, Environmental Systems Research Institute Community Analyst Service (ESRI), and Sun Tran were acquired and analyzed for inclusion in the market assessment.

### Performance of Field Surveys

A windshield survey of the corridor was conducted on a parcel-by-parcel basis to determine infrastructure needs, development opportunities, the physical condition of property improvements, and to verify data derived from third-party sources.

### Review of Prior Studies

Prior studies and documentation reviewed include: 12th Avenue-Valencia Road Area Plan (2001), Community Planning and Project Evaluation, NSP2 (2011/2013), South 12th Avenue Corridor Project Health Impact Assessment (2014), Pima County 12th Avenue Revitalization & Infill Plan, South 12th Avenue Community Revitalization Project, South 12th Avenue Transportation Action Plan (1999), South 12th Avenue: Veterans Boulevard to Los Reales Road (1998), National City Neighborhood Plan (1978), and the Airport Environs Plan.

The foregoing documentation was collectively evaluated to inform the assessment of existing conditions and to formulate projections and develop key recommendations.

## III. Existing Conditions

### Overview of the Corridor

#### Study Area Boundaries

The Study Area is located in the southern portion of Tucson, Arizona, with the South 12th Avenue Corridor extending 2.5 miles along South 12th Avenue between Drexel Road and 44th Street. The area is bounded approximately by: West 39th Street on the north to West Calle Alvord on the south, and from South 17th Avenue on the west to South Liberty Avenue on the east. *See Figure III.1*

Neighborhood associations located within the South 12th Avenue Corridor include the Sunset Villa Neighborhood Association and the Rose Neighborhood Association.

The Corridor is located on the border of Ward 1 and Ward 5. Ward 1 is represented by Councilwoman Regina Romero, a member of the Tucson City Council since 2007. Ward 5 is represented by Richard Fimbres, a member of the Tucson City Council since 2009.

The Study Area is further defined by its inclusion within portions of seven (7) census tracts, inclusive of Census Tracts 24.00, 25.01, 37.04, 38.01, 38.02, 39.01, and 39.02.

### Existing/Previous Studies and Efforts

The South 12th Avenue Corridor has been the focus of a number of detailed studies over the years, inclusive of:

1. 12th Avenue-Valencia Road Area Plan (2001), prepared by the City of Tucson
2. Community Planning and Project Evaluation, NSP2 (2011/2013), prepared by the Drachman Institute
3. South 12th Avenue Corridor Project Health Impact Assessment (2014), prepared by the Pima County Health Department
4. Pima County 12th Avenue Revitalization & Infill Plan, prepared by the Tejido Group
5. South 12th Avenue Community Revitalization Project
6. South 12th Avenue Transportation Action Plan (1999), prepared by the Pima County Department of Transportation & Flood Control District
7. South 12th Avenue: Veterans Boulevard to Los Reales Road (1998)
8. National City Neighborhood Plan (1978), prepared by the City of Tucson Planning Department
9. Airport Environs Plan (1982, and as amended in 1991), prepared by the City of Tucson Planning Department

These studies provide a wealth of historical data and context to support the content and recommendations below.

Figure III.1 - Study Area Boundary Map

# Study Area Boundary

S. 12th Ave, Tucson, AZ



Date Created: 11/15/2017  
Source: City of Tucson, US Census

-  S. 12th Ave Area
-  Census Tract Boundaries
-  Major Highways



0 0.125 0.25 0.5 Miles



### Population, Economic and Housing Trends

In 1983, the City of Tucson developed a framework for evaluating and prioritizing the needs of its neighborhoods, as a means for assisting in the allocation of federal Community Development Block Grant resources. U.S. Census Bureau, American Community Survey data provided the quantitative basis for the City's analysis. Indicators of neighborhood stress are based on social indicators as predictors of community needs. These variables reflect physical and social conditions indicative of dependency and need, and are related to economic status, shelter costs and conditions, as well as possible social dependency (i.e., youth, old age, disability, etc.). Analysis of the variables resulted in the designation of Tucson neighborhoods within one of five "Composite Stress" categories: Highest Stress, High Stress, Medium Stress, Lowest Stress, and Low Stress. These Composite Stress designations represent the relative status of the neighborhood, as compared to the average condition of the City as a whole. Based on the City of Tucson Poverty and Urban Stress Report dated 2012, the South 12th Avenue Corridor is in an area that has been designated as "Highest" and "High" stress.

### Corridor Demographics

Based on the 2012 update to the City's Stress Report, the City designated the S. 12th Avenue corridor a "high stress" CDBG Target Area. This report documents disparities in factors including income levels, education, housing issues and incidence of crime. The City's Five Year Consolidated Plan (2015-2020) states that this Target Area would be a primary focus of the City's community development investments.

Data derived from the ESRI Community Profile indicates slow population growth in the South 12th Avenue Corridor area. Total population in 2000 was 10,174. By 2010, the population decreased to 9,868. In 2017, population was reported to have increased to 10,108. ESRI predicts the population in 2022 will be 10,303, a growth of only 1.9% over the 2017 population, compared to 2.6% growth in population city-wide over the same period.

Household formation is projected to grow at a rate of 1.7% between 2017 – 2022, compared to 2.3% city-wide over the same period. In 2000, there were 2,896 households reported along S. 12<sup>th</sup> Ave. This grew to 2,959 in 2010, and to 3,018 in 2017. Household formation in 2022 is projected to be 3,070, an increase of 52 households over the 2017 level. The growth in household formation reflects smaller average household size by 2022 at 3.33 persons compared to 3.47 persons in 2000, though still larger than the average household size of 2.45 for the City of Tucson in 2017 and projected 2.46 in 2022.

An analysis of Population by Age projects an aging population in the South 12th Avenue Corridor by 2022. In 2017, 24.5% of the population was below the age of 15 years and 14% were over 65. By 2022, it is predicted that 23.8% of the population will be younger than 15 years, but persons over age of 65 will grow to 15.7%. These numbers very closely match 2017 estimates and 2022 projections for the city as a whole.

The percentage of population reporting as Hispanic is also expected to grow from 89.6% in 2000 to 91.4% in 2022, reflecting slightly declining percentages in the White and American Indian population. The percentage of Hispanic population for the City of Tucson in 2017 was 44.5%, with a projection in 2022 of 46.6% of the population identifying as Hispanic.

The number of housing units in the South 12th Avenue area is expected to grow by 1.8% between 2017 and 2022. In 2000, there were 3,113 units (renter and owner occupied). By 2010, the number of housing units had grown by 202 units. By 2017, 72 units had been added, for a total of 3,387. Only slight growth is projected to occur through 2022, with 64 additional units expected for a total of 3,451 units, a growth rate of 1.8%, compared to a rate of growth of 2.8% city-wide over the same period.

In 2017, 46.9% of housing in the Corridor is owner-occupied, with that percentage forecast to drop slightly to 46.7% by 2022. Owner-occupied housing values are projected to grow from \$107,064 in 2017 to \$133,099 in 2022, an increase in value of 24.3%. This increase could pose a future concern if incomes do not rise at a rate that allows residents to meet their potential increased tax burden. Rental housing comprises 42.2% of the housing in the study area in 2017, and is projected to increase to 42.3% by 2022. Vacant housing units account for the remaining 11% of the area housing units. Housing affordability in the Corridor is a concern. Households are considered cost-burdened when they pay more than 30 percent of their income for housing. The 2011-2015 American Community Survey 5-Year Estimates show 62% of renters and 56% of homeowners are cost burdened.

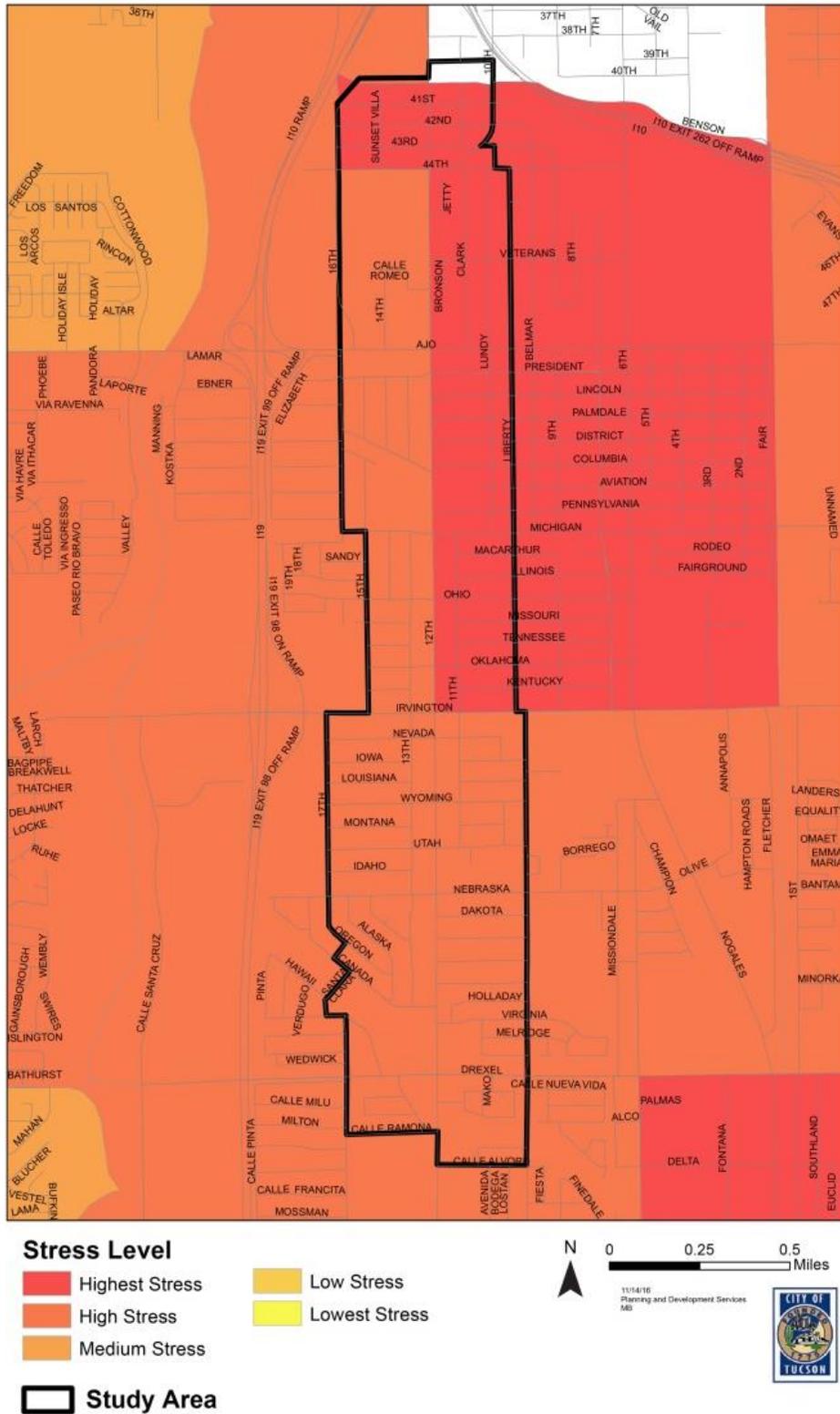
Most concerning are data showing stagnant or low growth in incomes. In 2017, median household income was \$26,052. ESRI projects median household income to be \$27,542 in 2022. This compares with a city-wide median household income level of \$38,331 in 2017, and a projected city-wide median income level of \$41,642 in 2022.

In 2017, 86.9% of the Corridor civilian population (16+ years old) was employed in the labor force. The largest segment of employment for persons living in the South 12th Avenue Corridor is in the Services Industry at 28.3%, with 15.1% employed in Construction and 13% employed in Administrative Support.

The percentage of persons 25 years old and over who reported their highest level of educational attainment as High School Graduates, 48.9%, is lower than that reported city-wide at 50.2%. Additionally, the percentage of persons possessing a Bachelor's Degree also reflects lower educational attainment rates, with 5% of residents in the Corridor possessing a Bachelor's Degree or higher, compared to 25.7% city-wide.

Figure III.2 - S. 12th Avenue Stress Index Map

S 12th Ave - Stress Index



Current demographics in the South 12<sup>th</sup> Ave study area are illustrated as follows:

**Table III.1: S. 12th Avenue Study Area Demographics and Housing**

	South 12 <sup>th</sup> Ave.		City of Tucson	
	2017	2022	2017	2022
<b>Total Population</b>	10,108	10,303	539,162	553,195
<b>Population by Age</b>				
Median Age	32.4	33.9	34.1	34.9
Population under 15 years old	24.5%	23.8%	18.4%	18.3%
Population 65 years and over	14%	15.7%	14.2%	15.9%
<b>Hispanic/Latino Origin, Any Race</b>	90.7%	91.4%	44.5%	46.6%
<b>Households</b>	3,018	3,070	211,203	216,164
<b>Average Household Size</b>	3.32	3.33	2.45	2.46
<b>Median Household Income</b>	\$26,052	\$27,542	\$38,331	\$41,642
<b>Educational Attainment, population 25 years and over</b>				
Less than high school diploma	42.9%		15.8%	
High school diploma or equivalent	48.9%		50.2%	
Bachelor's degree or higher	5%		25.7%	
<b>Civilian Unemployment Rate</b>	13.1%		7.9%	
<b>Employment by Occupation</b>				
Management/Business/Financial	3.7%		9.9%	
Professional	8.1%		22%	
Sales	10%		10.7%	
Administrative Support	13%		14.4%	
Services	28.3%		24.4%	
Farming/Forestry/Fishing	0.3%		0.1%	
Construction/Extraction	15.1%		5.9%	
Installation/Maintenance/Repair	4.7%		3.3%	
Production	9.7%		4%	
Transportation/Material Moving	7.1%		5.3%	
<b>Total Housing Units</b>	3,387	3,451	239,089	245,901
Owner-Occupied Housing Units	46.9%	46.7%	42%	41.6%
Renter-Occupied Housing Units	42.2%	42.3%	46.3%	46.3%
Vacant Housing Units	10.9%	11%	11.7%	12.1%
<b>Median Home Value</b>	\$107,064	\$133,099	\$170,339	\$197,846

Source: ESRI estimates and projections based on U.S. Census Bureau data

The South 12th Avenue Corridor Project Health Impact Assessment conducted by Pima County Health Department in December 2014, funded by the National Center for Chronic Disease Prevention and Health Promotion, reported that the community surrounding the corridor faces a variety of health challenges including chronic rates of diabetes, cardiovascular disease, and obesity; lack of green space; and poor pedestrian and bicycle facilities for a population largely dependent on alternatives to the automobile.

### **Property Overview**

#### **Zoning and Land Use**

Zoning within the Study Area is comprised of residential, commercial, and office zones. The commercial zones are concentrated along South 12<sup>th</sup> Avenue from West 42<sup>nd</sup> to the southern area border at West Calle Alvord, and along the cross streets at East Ajo Way, East Irvington Road, West Nebraska Street, and West Drexel Road. Office zones are generally located along West Nevada Street, South 13<sup>th</sup> and South 11<sup>th</sup> Avenues between East Irvington Road and West Nebraska Street, and West Dakota Street between South 12<sup>th</sup> Avenue and South Liberty Avenue. The remaining portions of the study area are zoned R-1 and R-2, with some limited R-3 residential zoning.

Adopted land uses for the Study Area are generally consistent with current zoning, with the addition of Residential/Commercial and Residential/Office/Commercial land use designations.

#### **Vacant and Under-utilized Land**

Numerous parcels of vacant land present development opportunities in the South 12th Avenue Corridor for housing and commercial uses. In addition to vacant parcels, there are also lots which could be considered under-utilized with respect to their potential ability to impact larger scale development when combined with adjacent vacant properties. Of particular interest are parcels which front South 12<sup>th</sup> Avenue and represent the potential expansion of business opportunities and the corridor tax base.

#### **Ownership**

An analysis of Pima County property tax records showed there are 148 owners of property along the South 12th Avenue Corridor. From an initial analysis, it appears that absentee ownership is not common. Only 16 properties, 10% of all parcels, are owned by parties with a listed address outside of Tucson. These data can serve to identify stakeholders that have made multiple investments here. This analysis found 27 private owners, 11 businesses, and 4 religious institutions that own multiple parcels of land. The City of Tucson, Tucson Unified School District and Unisource Energy Corp. also own multiple properties.

### Assets

Great neighborhoods reflect the essence of a community by:

- Capitalizing on building design, architecture, proportionality and public art that provide an interesting visual experience and sense of place.
- Accommodating multiple users, providing for walking, bicycling, and public transit.
- Fostering social interaction and creating a sense of community and neighborliness.
- Promoting security from crime to provide a neighborhood that is safe for children and others.
- Protecting and enhancing the environment and natural features.

There are a number of educational and recreational facilities in the South 12<sup>th</sup> Avenue corridor. The corridor is home to two (2) educational facilities: Pueblo High School, and CE Rose PK-8 School. In addition, Rodeo Wash Park, and a portion of Madison Manor Park are also located within the corridor area.

Corridor assets include features and attractions, community events, and opportunities for cultural experiences that contribute to Tucson being a “UNESCO World City of Gastronomy,” and are exemplified through the unique business mix. The *La Doce* study, conducted by The University of Arizona College of Architecture, Planning and Landscape Architecture portrays South 12th Avenue as “a business corridor that has served the City of Tucson’s Southside for generations. Distinct for its prominent Latino-American aesthetics, businesses, and values,” *La Doce* describes the Corridor as one that has been “left to cultivate almost as a small town, catering to the specific needs of the community it serves” and as “a vibrant, culturally diverse economic district that has served Tucson’s south side for three quarters of a century.”

According to survey data collected as part of the *La Doce* report, most entrepreneurs reported operating retail or food related businesses, with other categories including personal services, professional services and trade services. According to the same survey data, more than half of entrepreneurs reported living in the community, however, seventy nine percent reported leasing their commercial space. On average, surveyed business owners have been in operation 12 years.

Entrepreneurs reported a strong preference for siting their businesses along 12th Avenue owing to the strong Mexican cultural character of the corridor and strong business environment. Other entrepreneurs referred to the affordable cost of real estate as a contributing factor.

When asked about challenges, entrepreneurs along the corridor stated competition with other businesses as a major challenge, as well as infrastructure challenges, a challenging economy and a lack of security.

Business owners cited “small business loans, better signage, more pedestrian traffic, better curb appeal and more general exposure to the larger Tucson community” as greatest needs, and opportunities to support entrepreneurs.

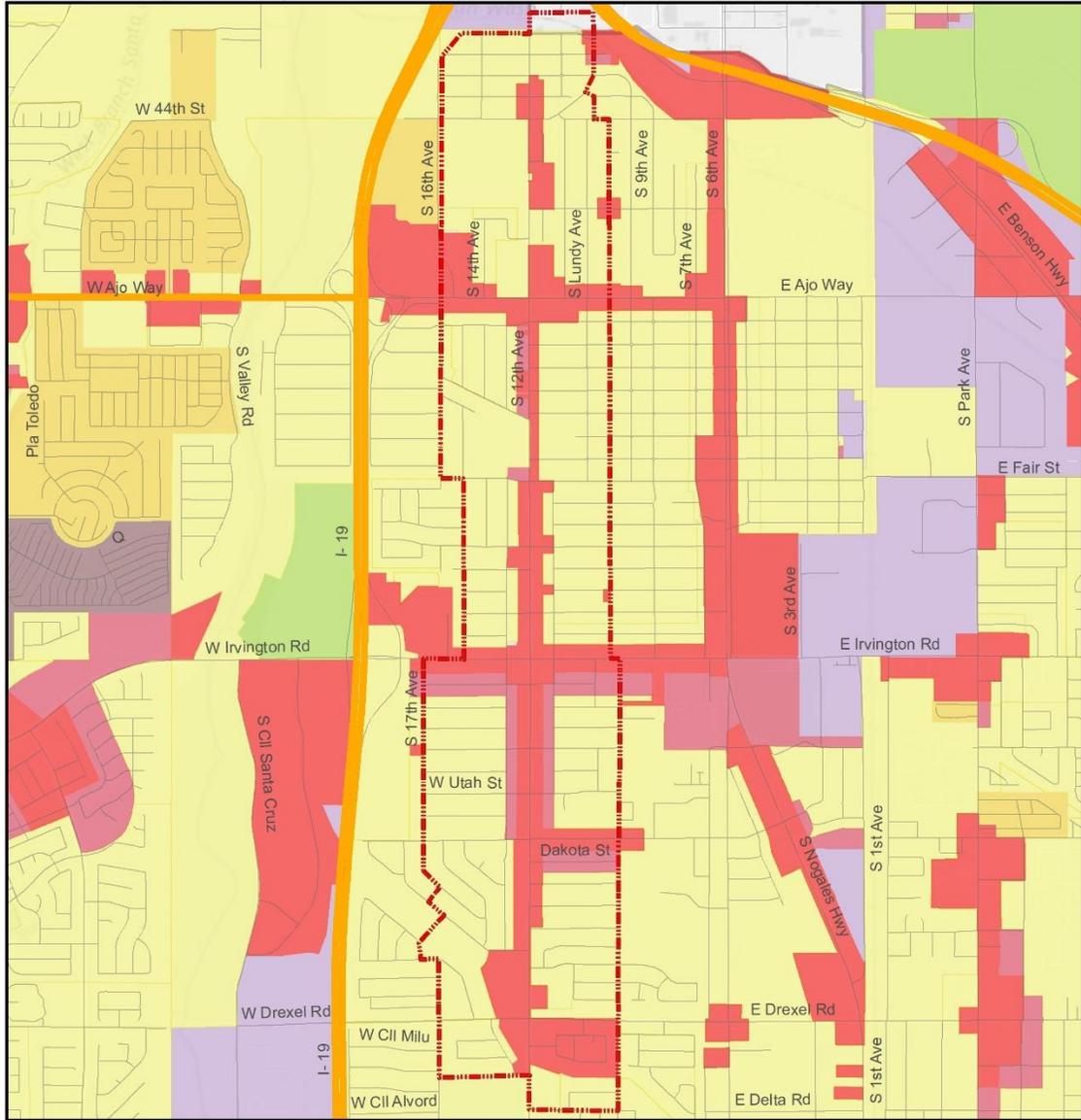
Natural Assets

Natural assets along the Corridor include a number of washes and drainage areas that include the Rodeo Wash, the Airport Wash, and the W. Wyoming Street drainage channel. The Rodeo Wash has been improved with pedestrian trails, seating areas and pedestrian bridges.

Figure III.4: S. 12th Avenue Zoning Map

# Zoning

S. 12th Ave, Tucson, AZ



Date Created: 11/15/2017  
 Source: City of Tucson, US Census



0 0.125 0.25 0.5 Miles

- Single Family Residential
- Multi Family Residential
- Commercial
- Office
- Industrial
- Planned Area Development Zone
- RV
- S. 12th Ave Area
- Major Highways



Figure III.5: S. 12th Avenue Adopted Land Use Map

### S 12th Ave - Adopted Land Use

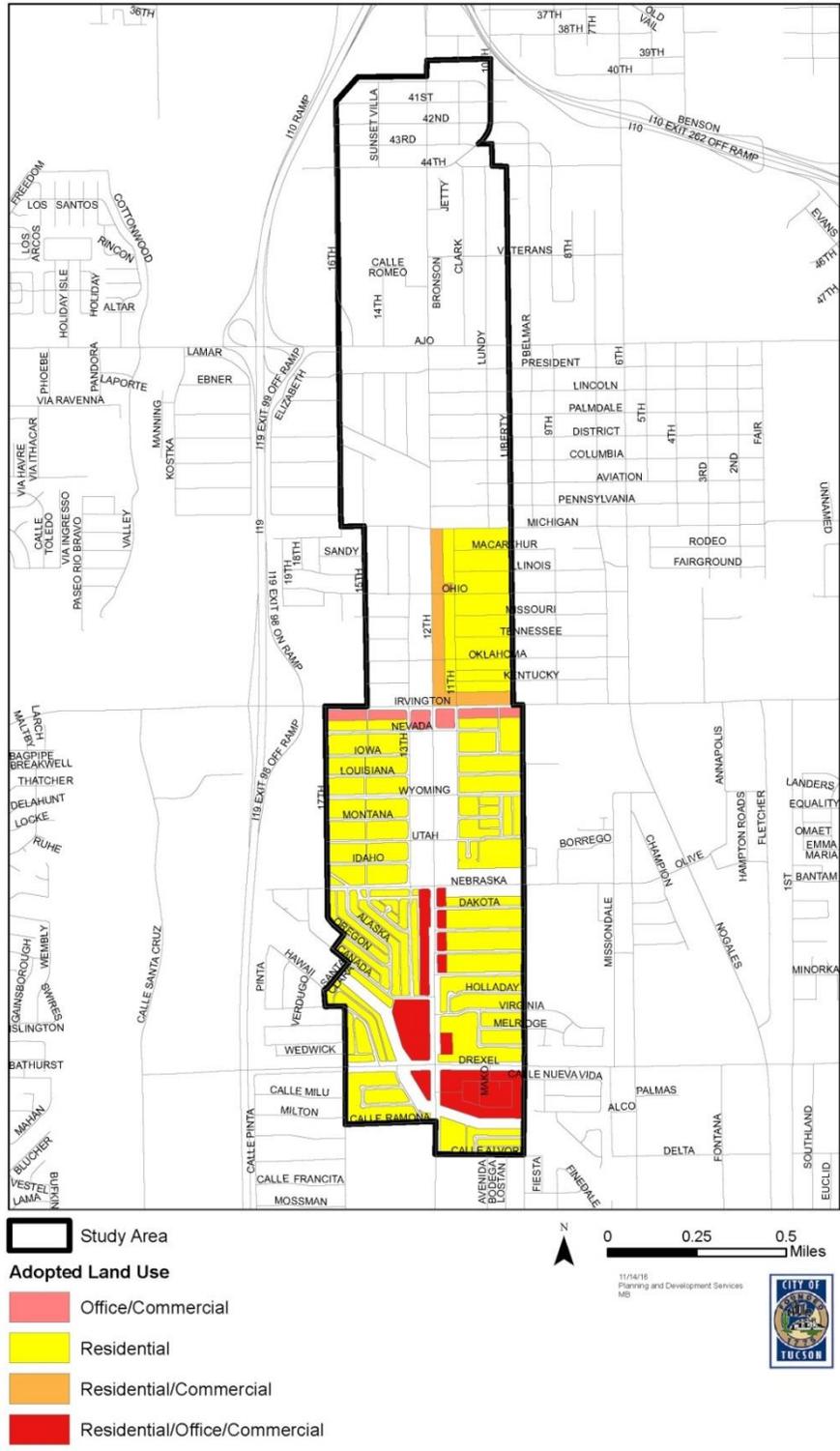
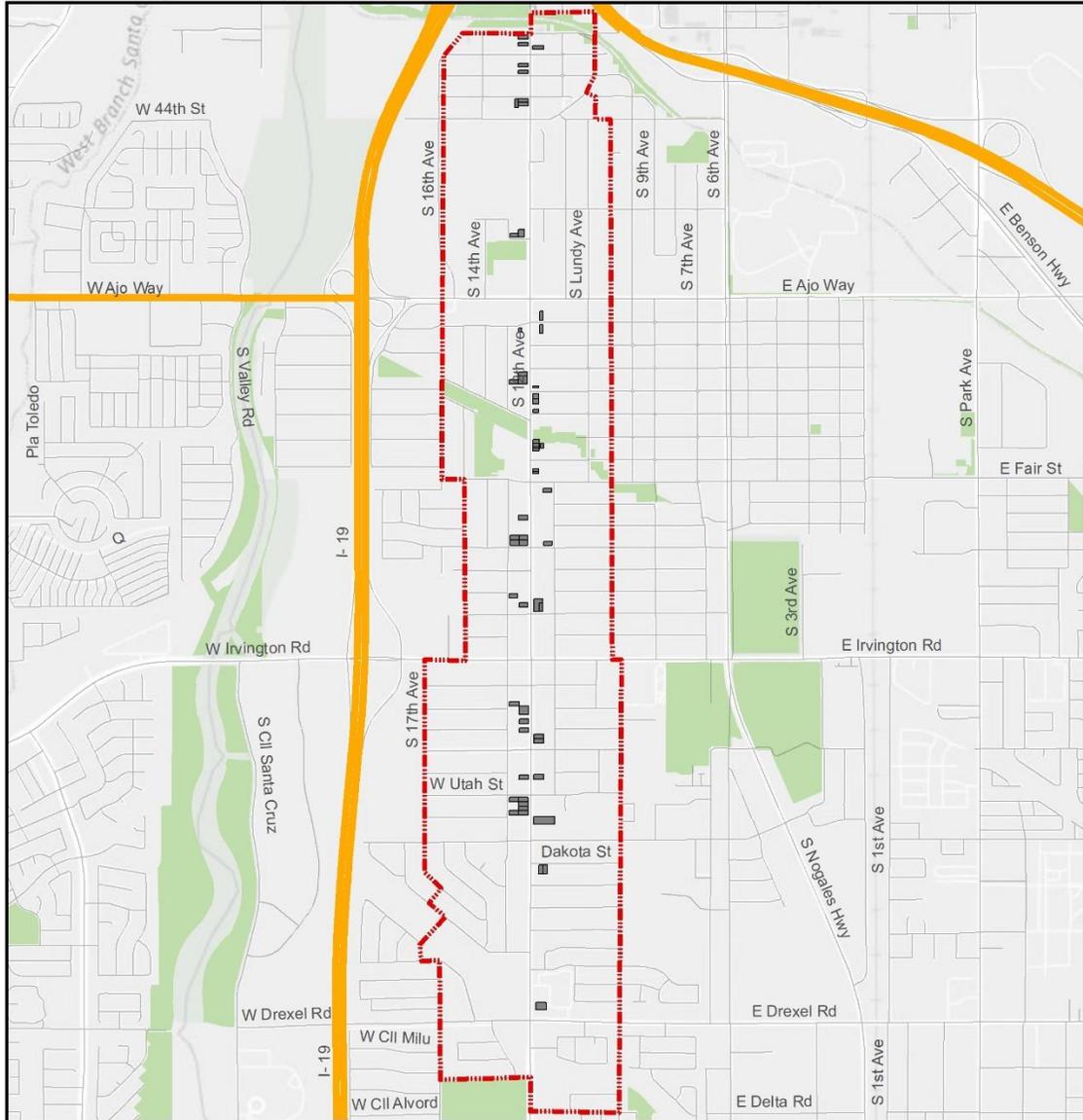


Figure III.6: S. 12th Vacant Properties Map

# Vacant Properties

S. 12th Ave, Tucson, AZ



Date Created: 11/22/2017  
 Source: City of Tucson, US Census



0 0.125 0.25 0.5 Miles

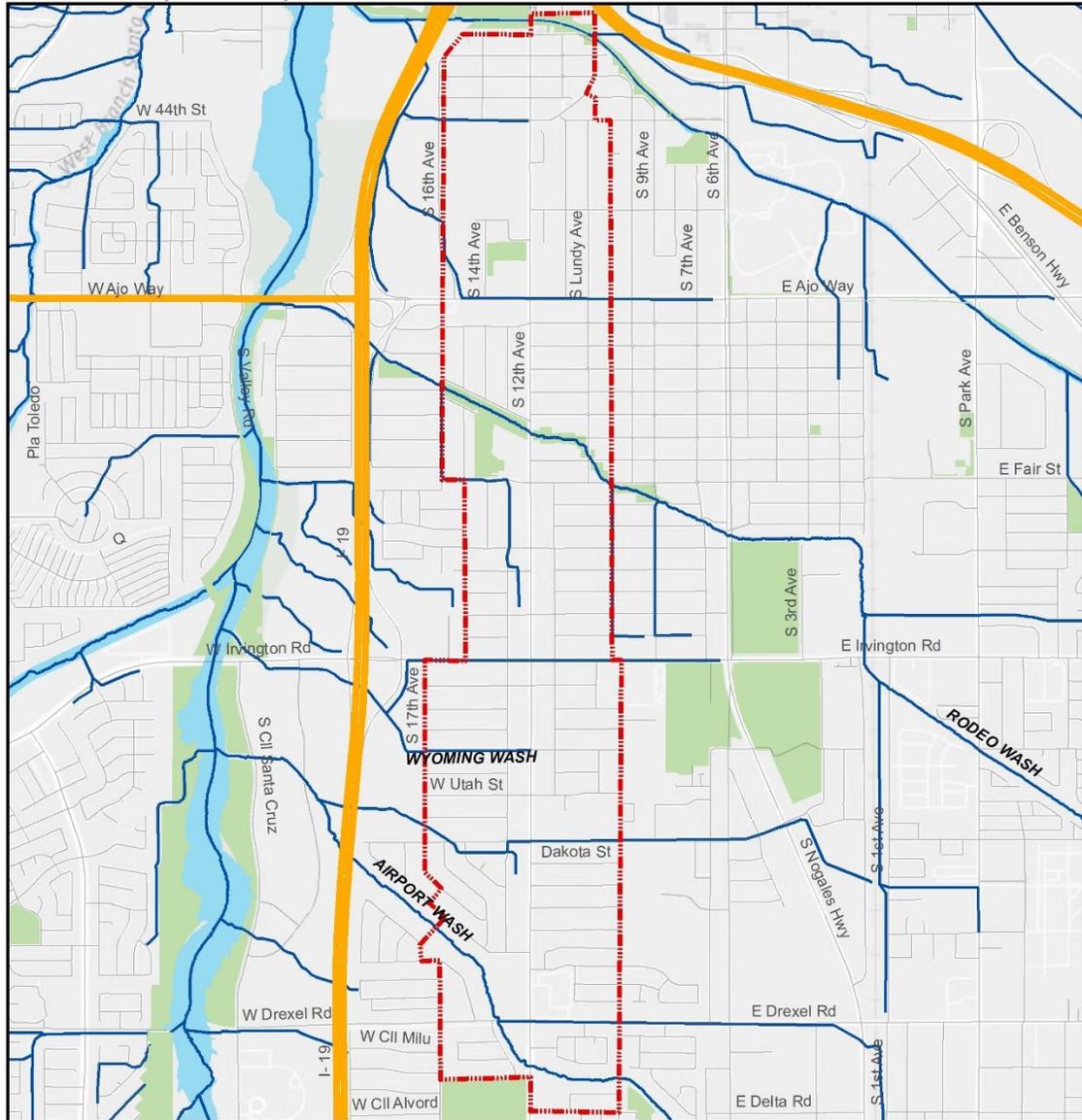
- Vacant Properties
- Park and Recreation Areas
- Major Highways
- S. 12th Ave Area



Figure III.7: S. 12th Avenue Natural Assets Map

# Natural Assets

S. 12th Ave, Tucson, AZ



Date Created: 11/22/2017  
 Source: City of Tucson, US Census



0 0.125 0.25 0.5 Miles

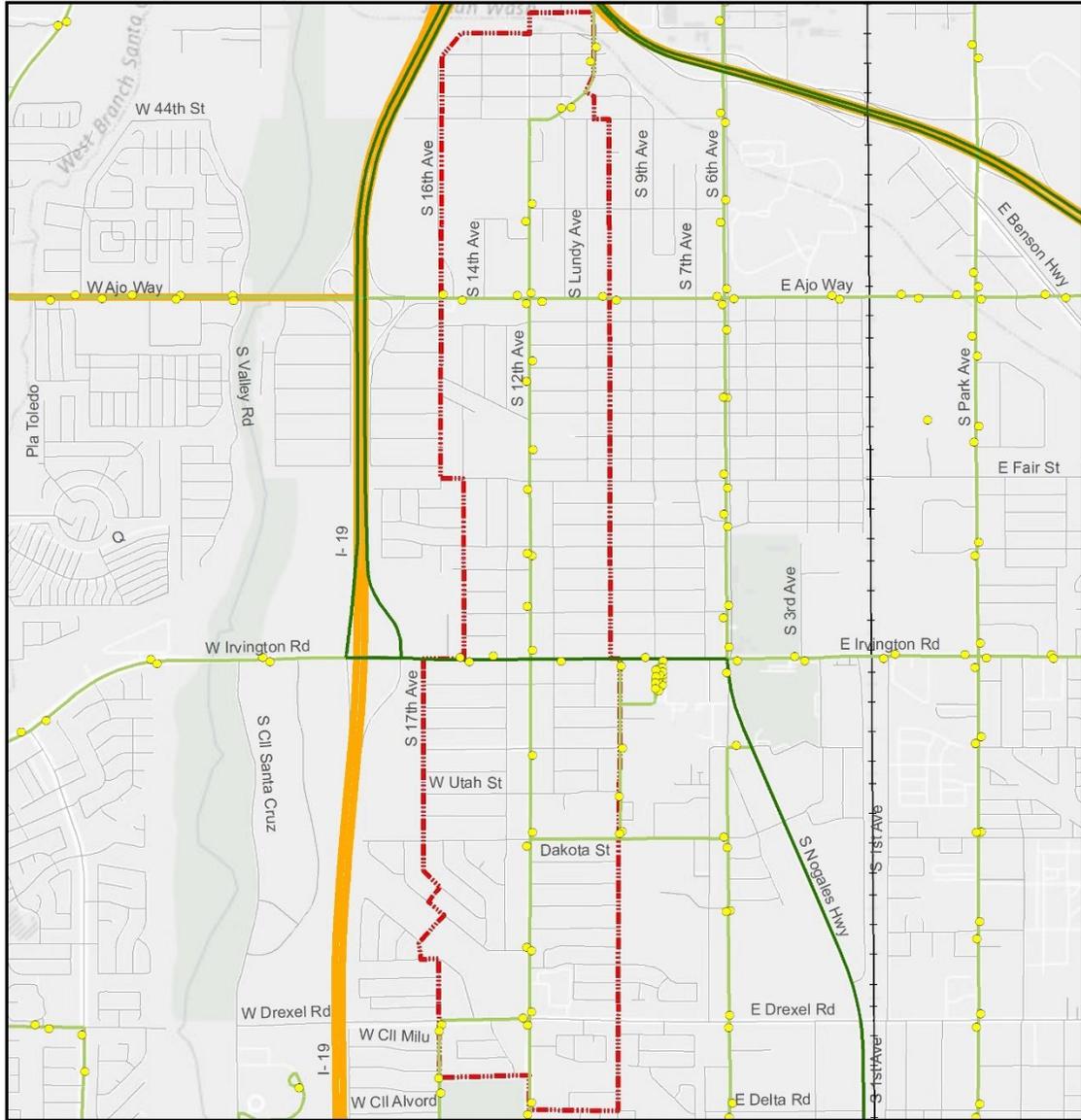
- Washes
- Major washes
- Park and Recreation Areas
- Major Highways
- S. 12th Ave Area



Figure III.8: S. 12th Avenue Transportation: Bus Routes and Stops

# Transportation: Bus Routes and Stops

S. 12th Ave, Tucson, AZ



Date Created: 11/15/2017  
 Source: City of Tucson, US Census



0 0.125 0.25 0.5 Miles

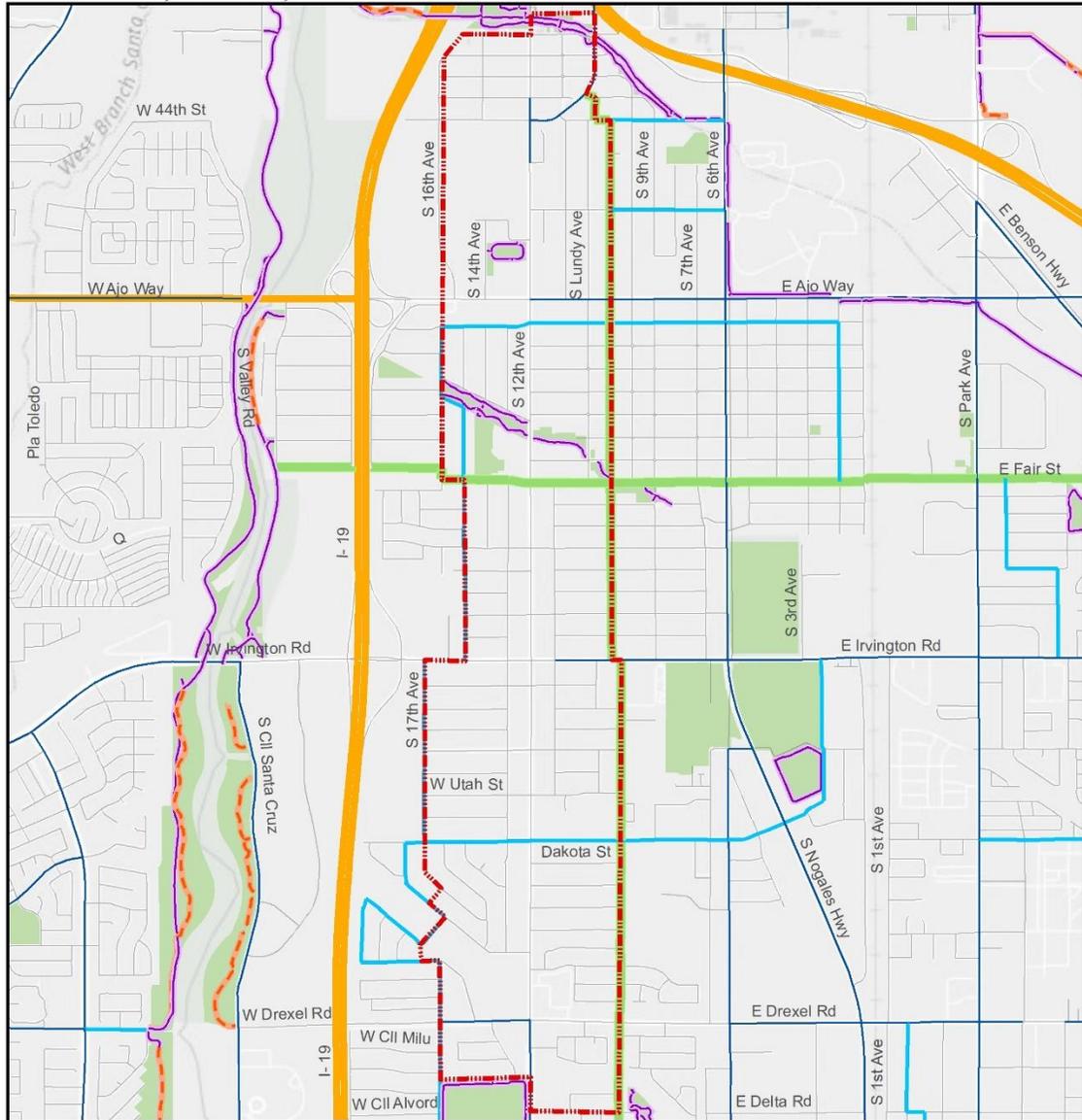
- Sun Tran Bus Stops
- Sun Tran Express Bus Routes
- Sun Tran Core Bus Routes
- Major Highways
- S. 12th Ave Area



Figure III.9: S. 12th Avenue Transportation: Bike Paths

# Transportation: Bike Paths

S. 12th Ave, Tucson, AZ



Date Created: 11/22/2017  
 Source: City of Tucson, US Census



0 0.125 0.25 0.5 Miles

- Bike Route
- Residential Streets
- Bike Route with Striped Shoulder
- Park and Recreation Areas
- Shared-use Path
- Major Highways
- Hiking/Mountain Bike/Equestrian/Wildland Trail
- S. 12th Ave Area



**Infrastructure**

**Transportation**

*Bus Transportation*

Sun Tran provides bus transportation services for residents of the Corridor. South 12th Avenue is heavily served by multiple Sun Tran bus routes and stops. The Roy Lao Transit Center, a major bus transfer site, located at Irvington Road between S. 6th Avenue and S. 12th Avenue, provides connections to different parts of the city. Routes 12, 18, 23, 24, 27, and 50 all serve portions of the South 12<sup>th</sup> Avenue corridor.

Ridership levels for the routes are as follows:

**Table III.2: S. 12th Avenue Bus Route Performance Profile**

Sun Tran Route Performance Profile November 2017	
Route Number	Total Route Passengers
12	37,803
18	92,890
23	31,007
24	15,780
27	22,905
50	14,105

Source: Sun Tran

Routes 18 and 24 rank 1 and 3 respectively for highest passenger count per hour for the entire Sun Tran bus system. Given this high usage, there is a clear need for infrastructure in the form of sidewalks and bus shelters along the corridor. Additionally, this high ridership supports high visibility along the corridor.

*Bike Paths*

Bicycle Magazine recently designated the City of Tucson as the 23rd best cycling city in the U.S. While major thoroughfares and neighborhoods that surround South 12th Avenue Corridor offer well-developed bike paths, the Corridor lacks this feature.

The Corridor is proximate to the bike paths that have been developed on South 12th Avenue, south of Drexel Road. Installing a bike path along the Corridor to connect to this existing bike path would improve safety and provide access to these amenities.

Utilizing \$750,000 in funding provided by the Arizona Transportation Enhancement Program, Round

18, and Arizona Safe Routes to School Program, Cycle Five; the Liberty Bike Boulevard Project, Phase I: Along Liberty Avenue, between 43rd Street to Los Reales Road is scheduled for construction during 2018.

**Events/Attractions**

*Visitor Attractions and Opportunities*

Cultural assets in the South 12th Avenue Corridor as documented by the La Doce report include the Julian Wash Archeological Park, Julian Wash Greenway, Rodeo Wash, Mission Manor Park, Mission Manor Elementary School, St. John the Evangelist Catholic School, Louis Market, Los Jarritos Mexican Food, BK Carne Asada Hot Dogs, and El Guero Canelo.

Events are held in the South 12th Avenue Corridor, sponsored by a variety of organizations. These events support traditions, unique products, historic features, annual events, areas with special significance, gathering spaces and natural features, as well as creative entities and active organizations. Recent 2017 events include Cyclovia Tucson and the 12<sup>th</sup> Avenue Food and Music Festival.

**Recent Investment**

During the preceding ten (10) year period, the following new private commercial development has taken place in the corridor:

**Table III.3: S. 12th Avenue Recent Investment**

<b>Building Address</b>	<b>Land Area (Ac.)</b>	<b>Property Type</b>	<b>Secondary Type</b>	<b>Bldg. Area</b>	<b>Year Built</b>	<b>Zoning</b>
3963 S 16th Ave	1.8	General Retail (Strip Center)	Freestanding	19,200	2016	C-1
702 W Irvington Rd		General Retail	Storefront Retail/Office	10,345	2015	C-2
5663 S 12th Ave	0.9266	General Retail	Freestanding	9,100	2011	C-1
4841 S 12th Ave	0.1885	General Retail	Fast Food	625	2009	C-2
315 W Irvington Rd	3.9525	General Retail (Strip Center)	Freestanding	10,000	2009	O-3
5433 S 12th Ave	0.4316	General Retail (Strip Center)	Storefront	5,469	2008	C-2
4419 S 12th Ave	0.1005	General Retail	Fast Food	1,094	2007	C-2
519 W Ajo Way	0.1777	General Retail	Auto Repair	928	2007	C-2

**Market Assessment of South 12<sup>th</sup> Avenue Corridor**

4573 S 12th Ave	0.1766	General Retail	Fast Food	1,234	2006	C-2
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In addition to private investment, in May 2001 the City of Tucson adopted the 12<sup>th</sup> Avenue-Valencia Road Area Plan. Since adoption, the following public improvements have been performed in the corridor:

**Table III.4: S. 12th Avenue Public Improvements**

Description	Total Investment	Completion Date	Funding Source
Widening of 12 <sup>th</sup> Ave/Valencia Rd intersection	\$1,262,000	December 2001	1997 HURF (Highway User Revenue Funds) Revenue Bond DOT-39
<b>Phase I:</b> 12 <sup>th</sup> Ave road widening to four lanes, raised landscaped median, multi-use lanes, curb & gutter, storm drains, pedestrian facilities, public art & street lights between Lerdo Road and Los Reales Road. <b>Phase II:</b> Construction of 12 <sup>th</sup> Ave/44 <sup>th</sup> St Gateway Intersection	\$10,741,000	May 2003 (Phase I) & May 2007 (Phase II)	1997 HURF (Highway User Revenue Funds) Revenue Bond DOT-43
Wakefield Art Project at the 12 <sup>th</sup> Ave/44 <sup>th</sup> Street gateway intersection, consisting of two large pieces intertwined into a 14-foot high sculpture.	\$35,000	May 2007	Pima County 1997 General Obligation Bonds – NR-16 Neighborhood Reinvestment
12th Avenue Community Revitalization Project, from 38 <sup>th</sup> Street to Los Reales Road	\$9,000,000	July 2007	1997 HURF (Highway User Revenue Funds)
Sunset Villa Neighborhood Pedestrian Enhancement Project, including new sidewalks, shade landscaping, and beautification improvements, and public art.	\$150,000	March 2009	Pima County 1997 General Obligation Bonds – NR-16 Neighborhood Reinvestment
South Side Business Coalition was formed		June 2013	
Tucson Means Business – Ward 1 Southside Forum		August 2013	Sponsored by Tucson City Council Ward 1 and the South Side Business Coalition
At Pima County Bond Committee Meeting, 60+ letters were received from business owners, community leaders, and residents supporting		September 2013	

**Market Assessment of South 12<sup>th</sup> Avenue Corridor**

<b>Description</b>	<b>Total Investment</b>	<b>Completion Date</b>	<b>Funding Source</b>
infrastructure improvements to 12th Avenue. Application filed and approved for the Pima County bond packages going to voters on November 2015.			
Two public meetings on proposed improvements for 12th Avenue, pending voters' approval on November 2015 of Pima County's proposed bond package. A total of 31 businesses and property owners attended.		September 2014	City of Tucson
Surface seal of 12th Avenue between 38th Street and 44th Street.		2014	City of Tucson Streets Bond Proposition 409
South 12th Avenue Corridor Project Health Impact Assessment		December 2014	Pima County Health Department
3 bus shelters and pads, landscape improvements, and signage	\$106,000	June 2015	Tohono O'odham Nation Grant (\$71,000) & City of Tucson Litter Fee (\$35,000)
Discussions about branding of corridor and celebrating culinary distinction		Ongoing	Ward 1 Council Office, Visit Tucson, & Best of Barrio Food Tours
(Proposed) Walkability in Mexican-American Neighborhoods (South 6th Ave & South 12th Ave), including focus group meetings in various neighborhoods (October 2015), surveying people on the street (Feb 2016), interviews of policy makers (Spring 2016)		2016	Centers for Disease Control and Prevention (CDC) grant, through The University of Arizona's CAPLA and the Living Streets Alliance
Partners for Places' Comprehensive Neighborhood Sustainable Development	\$150,000	2017	The Kresge Foundation, Community Food Bank, Community Foundation of Southern Arizona, Partners for Places
Transportation Infrastructure Needs Assessment	\$75,000	2017	CDBG (\$50,000) and City of Tucson CIP (\$25,000)
Assistance in further assessing the social and economic needs of the corridor area and developing an implementation strategy that is		2017	HUD's Technical Assistance, through NALCAB

Description	Total Investment	Completion Date	Funding Source
sensitive to the existing businesses and neighborhoods while contributing to the long-term sustainability and vitality of this special cultural and culinary corridor.			

#### IV. Corridor Performance

##### Business Inventory

Data from ESRI Community Analyst was used to evaluate the type of businesses operating along the South 12th Avenue Corridor, with the following resultant business summary:

**Table IV.1: S. 12th Avenue Business Inventory**

Industry by SIC Code	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture & Mining	2	0.80%	22	0.90%
Construction	13	5.10%	109	4.50%
Manufacturing	5	2.00%	11	0.50%
Transportation	6	2.40%	35	1.50%
Communication	6	2.40%	19	0.80%
Utility	0	0.00%	0	0.00%
Wholesale Trade	4	1.60%	17	0.70%
Retail Trade Summary	81	32.00%	954	39.70%
Home Improvement	5	2.00%	59	2.50%
General Merchandise Stores	4	1.40%	84	3.50%
Food Stores	9	3.60%	173	7.20%
Auto Dealers, Gas Stations, Auto Aftermarket	11	4.30%	59	2.50%
Apparel & Accessory Stores	9	3.60%	45	1.90%
Furniture & Home Furnishings	4	1.60%	44	1.80%
Eating & Drinking Places	18	7.10%	371	15.40%
Miscellaneous Retail	21	8.30%	119	5.00%
Finance, Insurance, Real Estate Summary	29	11.50%	103	4.30%
Banks, Savings & Lending Institutions	6	2.40%	34	1.40%
Securities Brokers	2	0.80%	5	0.20%
Insurance Carriers & Agents	13	5.10%	34	1.40%
Real Estate, Holding, Other Investment Offices	9	3.60%	30	1.20%
Services Summary	104	41.10%	1,102	45.90%
Hotels & Lodging	2	0.80%	13	0.50%
Automotive Services	17	6.70%	148	6.20%

Motion Pictures & Amusements	5	2.00%	25	1.00%
Health Services	15	5.90%	279	11.60%
Legal Services	2	0.80%	6	0.20%
Education Institutions & Libraries	7	2.80%	394	16.40%
Other Services	56	22.10%	238	9.90%
Government	1	0.40%	6	0.20%
Unclassified Establishments	2	0.80%	24	1.00%
Totals	253	100.00%	2,402	100.00%

Source: Copyright 2017 Infogroup, Inc. All rights reserved. ESRI Total Residential Population forecasts for 2017. Data from August 24, 2017.

**Industry Mix**

Retail Trade and Services are the dominant types of businesses, at 31.8% and 39.4%, respectively. Retail Trade includes 19 Eating and Drinking Places made up of Full-Service Restaurants, Limited-Service Restaurants, Mobile Food Services and Drinking Places. These businesses contribute to the Corridor’s popularity as a regional culinary destination. As of January 2017, there were 277 businesses operating in the Corridor, providing employment for 2,299 people.

**Informal Economy**

It is widely recognized that the informal economy has a presence along the corridor, though by definition the scope and scale of this segment of entrepreneurs is impossible to accurately estimate. This includes informal vendors, peddlers, and food trucks that occupy vacant business parcels along S 12th Avenue, as well as home cooks, who prepare food for sale in their own homes. Research undertaken by the Southwest Folklife Institute has documented some of the challenges these entrepreneurs face, which include lack of knowledge about how to access licenses and how to interact with city officials, lack of access to commercial kitchens, and lack of capital to start or formalize a business. According to the La Doce report, there were fifteen peddlers/mobile sellers at the time of their 2016 study.

Greatest needs among this segment of the economy typically include formalization support and access to capital.

**Access to Capital**

There are no banks, or credit unions located on the S. 12th Avenue corridor. There are however providers of informal banking services, in the form of check cashing services, including those within retail establishments, fast loan lenders, pawn shops, payday lenders, and car title lenders on and near S. 12th Avenue.

**Ownership Types**

To assess how businesses operating along the Corridor are organized, the method of business formation was evaluated using business license information from the City of Tucson. In the corridor there are:

- 236 Sole Proprietors (defined as an individual doing business under their own name or under

a fictitious name, as the sole owner of the business.)

- 165 Limited Liability Companies (a hybrid corporate structure that combines the characteristics of a corporation and a partnership, or sole proprietorship. Members are not held personally liable for the company’s debts or liabilities.)
- 80 Corporations (a company authorized to act as a single entity.)
- 25 Partnerships (an association of two or more people acting in partnership.)
- 7 Limited Partnerships (a partnership in which one or more of the partners is liable only to the extent of their investment.)
- 5 Trusts (a fund in which trustees hold assets for the benefit of the trust’s beneficiaries.)

Sole Proprietors have been the dominant method for operating businesses along the South 12th Avenue Corridor, outpacing the use of limited liability corporations and corporations as a form of business ownership. However, the use of limited liability corporations has kept pace with the formation of sole proprietors, and is gaining as a popular method for forming a business.

Because the goal of many small business development programs is to build the capacity of micro-entrepreneurs, start-up businesses, and businesses needing assistance to achieve sustainability or growth, sole proprietors and Limited Liability Companies are typical recipients of these services. Sole proprietorship or Limited Liability Companies are often the first organizational form used by entrepreneurs to begin their business. While these businesses may have proficiency in their chosen field, technical assistance services can strengthen their sustainability and capacity to expand. Frequently these services include: business planning, marketing, financial record keeping, tax planning, and government regulatory compliance. Because a substantial number of businesses operating in the Corridor are organized as Sole Proprietors and Limited Liability Companies, the Corridor presents opportunities for business development through technical assistance, training, capacity building, and access to financial resources.

## Economic Impact

### Sales and Tax Revenue

Infogroup and ESRI reported total sales in 2017 of \$122,496,711 from businesses located in the South 12th Avenue Corridor.<sup>1</sup> With the current City of Tucson sales tax rate at 2.5%,<sup>2</sup> the Corridor is generating \$3,062,418 in sales tax revenue to the City. In comparison, the following table reflects retail sales revenue for other indicated areas:

**Table IV.2: Comparative Sales Tax Revenue**

Area (Tax Rate)	# of Businesses (2017)	Total Retail Sales (2017)	Sales Tax Revenue
S. 12th Ave (2.5%)	85	\$122,496,711	\$3,062,418

<sup>1</sup> Infogroup and ESRI-2017 Businesses are listed based on their proximity to the study area location.

<sup>2</sup> City of Tucson sales tax rate was raised 0.5% through a recent initiative to fund public services infrastructure and road maintenance.

S. 6th Ave (2.5%)	64	\$50,782,545	\$1,269,564
South Tucson (4.5%)	53	\$83,542,603	\$3,759,417
City of Tucson (2.5%)	4,016	\$8,346,866,650	\$208,671,666
City of Nogales (2.0%)	273	\$599,058,138	\$11,981,163

According to the Pima County Assessor, property in the South 12th Avenue Corridor has an aggregate assessed value of \$303,253,459.

## **Employment**

### *Viability as an Employment Center*

ESRI Business Summary reports there were 2,402 people employed at Corridor businesses in August 2017. The largest provider of employment is the Services Industry, providing 45.9% of employment opportunities. Within this category, Educational Institutions and Libraries provide the largest source of employment at 16.4%, with Other Services providing 10.8%. The second largest provider of employment is the Retail Trade Industry, providing 32.0% of employment opportunities. In this category, Eating and Drinking Establishments provide the largest source of employment at 15.4%.

ESRI data was used to evaluate the percentage of jobs offered by employers:

- 72% of jobs are provided by employers that have 5 or fewer employees
- 22% of jobs are provided by employers that have 6 - 19 employees
- 5% of jobs are provided by employers that have 20 - 49 employees
- 1% of jobs are provided by employers that have more than 50 employees.

Larger scale employers along the corridor, who have 50 or more employees, include Peter Piper Pizza, A & S Paving Inc. and Alejandro’s Tortilla Factory. El Guero Canelo and Walgreens both have 40 employees.

## **Leakage**

All economies experience “leakage”, which is defined as a situation in which capital, or income, exits an economy or system rather than remaining within it. The exit of money from the economy through leakage shows a gap in supply and demand. In retail, for example, leakage refers to consumers who spend money outside of their local market. Leakage also occurs when income is taken out through taxes, savings and imports. If local residents were to buy all of their goods and services within their local community, leakage would not occur. Leakage occurs because people purchase goods and services outside of their local community for many reasons. The goods or services desired may not be offered, or the cost of the goods or services may not meet the consumer’s needs.

While leakage can represent a loss in economic activity for Corridor businesses, it also presents opportunity. Leakage can indicate an opportunity for a business to tap into unmet demand. Industry

sectors that are showing leakage present opportunities for potential expansion in the Corridor.

When a community experiences sales that exceed its retail potential, a surplus is occurring. In this situation, capital is entering the economy, creating an inflow of income to the community. However, a surplus can also represent that the market is nearing its absorption rate unless goods and services are being actively marketed to consumers outside the trade area.

The chart below shows that the Corridor is successfully attracting consumers from outside the trade area to shop and obtain services in a majority of industry groups. This surplus economic activity is likely supported because the Corridor offers culturally relevant goods or services that are specialized, unique, convenient, and meet value and cost-conscious consumer needs.

Evidence that the Corridor is making noteworthy culinary contributions, in keeping with Tucson’s designation as a UNESCO City of Gastronomy, is shown when evaluating the retail potential for Retail Trade and Food & Drink. ESRI describes the retail potential for Retail Trade and Food & Drink in the South 12<sup>th</sup> Avenue Corridor at \$72,571,338.<sup>3</sup> However, the Corridor is generating (supplying) \$178,344,646 in sales, indicating a surplus over its retail potential of \$105,773,308. This surplus, resulting from consumers coming to the Corridor from outside the trade area, reflects a positive Retail Gap.

The chart shows leakage is occurring, with opportunity for growth, in the automotive sector, home furnishings, lawn & garden stores, general and used merchandise, electronics, vending machines, direct sales, special food services, and drinking places.

**Table IV.3: S. 12<sup>th</sup> Avenue Leakage/Surplus by Industry**

INDUSTRY GROUP	DEMAND	SUPPLY	RETAIL GAP	LEAKAGE OR SURPLUS FACTOR
<b>AUTOMOTIVE TRADES</b>				
Motor Vehicle & Parts Dealers	\$12,453,550	\$6,370,677	-\$6,082,873	-32.3
Automobile Dealers	\$10,340,413	\$1,838,454	-\$8,501,959	-69.8
Other Motor Vehicle Dealers	\$1,282,247	\$0	-\$1,282,247	-100
Auto Parts, Accessories & Tire Stores	\$830,890	\$4,532,223	\$3,701,333	69
<b>HOME FURNISHINGS</b>				
Furniture & Home Furnishings Stores	\$1,556,869	\$1,960,131	\$403,262	11.5
Furniture Stores	\$996,430	\$1,193,678	\$197,248	9
Home Furnishings Stores	\$560,439	\$0	-\$560,439	-100
Electronics & Appliance Stores	\$2,660,078	\$6,091,546	\$3,431,468	39.2
<b>BUILDING SUPPLIES</b>				
Bldg. Materials, Garden Equip. & Supply Stores	\$2,949,187	\$9,098,786	\$6,149,599	51

<sup>3</sup> ESRI Retail Marketplace Profile 2017

## Market Assessment of South 12<sup>th</sup> Avenue Corridor

Bldg. Material & Supplies Dealers	\$2,797,558	\$9,098,786	\$6,301,228	53
Lawn & Garden Equip & Supply Stores	\$151,629	\$0	-\$151,629	-100
<b>FOOD BUSINESSES</b>				
Food & Beverage Stores	\$9,890,602	\$32,236,278	\$22,345,676	53
Grocery Stores	\$9,019,365	\$30,119,807	\$21,100,442	53.9
Specialty Food Stores	\$663,574	\$783,694	\$120,120	8.3
Beer, Wine & Liquor Stores	\$207,663	\$1,332,776	\$1,125,113	73
Food Services & Drinking Places	\$5,486,552	\$13,697,466	\$8,210,914	42.8
Special Food Services	\$64,980	\$0	-\$64,980	-100
Drinking Places - Alcoholic Beverages	\$133,087	\$0	-\$133,087	-100
Restaurants/Other Eating Places	\$5,288,485	\$13,657,457	\$8,368,972	44
<b>RETAIL</b>				
Health & Personal Care Stores	\$3,106,266	\$10,504,663	\$7,398,397	54.4
Gasoline Stations	\$3,406,029	\$9,061,824	\$5,655,795	45.4
Clothing & Clothing Accessories Stores	\$2,162,862	\$5,835,045	\$3,672,183	45.9
Clothing Stores	\$1,484,525	\$4,732,090	\$3,247,565	52.2
Shoe Stores	\$294,215	\$627,723	\$333,508	36.2
Jewelry, Luggage & Leather Goods Stores	\$384,123	\$475,233	\$91,110	10.6
Sporting Goods, Hobby, Book & Music Stores	\$1,341,960	\$2,648,773	\$1,306,813	32.7
Sporting Goods/Hobby/Musical Instr. Stores	\$1,120,787	\$2,154,255	\$1,033,468	31.6
Book, Periodical & Music Stores	\$221,173	\$494,518	\$273,345	38.2
General Merchandise Stores	\$11,069,152	\$17,647,121	\$6,577,969	22.9
Department Stores Excluding Leased Depts.	\$7,273,623	\$14,946,303	\$7,672,680	34.5
Other General Merchandise Stores	\$3,795,529	\$2,700,818	-\$1,094,711	-16.9
Miscellaneous Store Retailers	\$2,432,953	\$7,249,900	\$4,816,947	49.7
Florists	\$51,411	\$309,960	\$258,549	71.5
Office Supplies, Stationery & Gift Stores	\$422,340	\$980,391	\$558,051	39.8
Used Merchandise Stores	\$226,252	\$70,637	-\$155,615	-52.4
Other Miscellaneous Store Retailers	\$1,732,950	\$5,888,912	\$4,155,962	54.5
Non-store Retailers	\$645,440	\$94,501	-\$550,939	-74.5
Electronic Shopping & Mail-Order Houses	\$420,462	\$0	-\$420,462	-100
Vending Machine Operators	\$66,067	\$0	-\$66,067	-100
Direct Selling Establishments	\$158,911	\$94,501	-\$64,410	-25.4

Source: ESRI and Infogroup. Retail Market Place 2016. Copyright 2016 Infogroup, Inc., February 2017

By way of comparison, leakage factors for the surrounding region are as follows:

**Table IV.4: Comparative Leakage/Surplus for Selected Regions**

INDUSTRY GROUP	S. 12 <sup>th</sup> Ave	S. 6 <sup>th</sup> Ave	South Tucson	City of Tucson	City of Nogales
<b>AUTOMOTIVE TRADES</b>					
Motor Vehicle & Parts Dealers	(32)	(37)	14	23	13
Automobile Dealers	(70)	(74)	(25)	21	(14)
Other Motor Vehicle Dealers	(100)	(100)	(100)	38	(51)
Auto Parts, Accessories & Tire Stores	69	59	80	20	76
<b>HOME FURNISHINGS</b>					
Furniture & Home Furnishings Stores	12	17	5	10	(47)
Furniture Stores	9	39	28	(9)	(35)
Home Furnishings Stores	(100)	(100)	(100)	30	(71)
Electronics & Appliance Stores	39	67	4	14	(38)
<b>BUILDING SUPPLIES</b>					
Bldg. Materials, Garden Equip. & Supply Stores	51	(40)	57	3	94
Bldg. Material & Supplies Dealers	53	(39)	59	2	94
Lawn & Garden Equip & Supply Stores	(100)	(100)	(100)	19	(100)
<b>FOOD BUSINESSES</b>					
Food & Beverage Stores	53	11	72	26	55
Grocery Stores	54	7	70	26	44
Specialty Food Stores	8	45	(100)	2	90
Beer, Wine & Liquor Stores	73	100	95	46	5
Food Services & Drinking Places	43	(56)	79	38	(20)
Special Food Services	(100)	(100)	13	(17)	26
Drinking Places - Alcoholic Beverages	(100)	18	20	38	64
Restaurants/Other Eating Places	44	5	(80)	40	64
<b>RETAIL</b>					
Health & Personal Care Stores	54	60	82	44	81
Gasoline Stations	45	(25)	(100)	20	(45)
Clothing & Clothing Accessories Stores	46	(30)	(36)	31	50
Clothing Stores	52	(84)	(100)	30	56
Shoe Stores	36	50	48	37	(100)
Jewelry, Luggage & Leather Goods Stores	11	(7)	(77)	21	73
Sporting Goods, Hobby, Book & Music Stores	33	(10)	(66)	24	81
Sporting Goods/Hobby/Musical Instr. Stores	32	(2)	(100)	14	(15)
Book, Periodical & Music Stores	38	31	(21)	26	15

**Market Assessment of South 12<sup>th</sup> Avenue Corridor**

<b>INDUSTRY GROUP</b>	<b>S. 12<sup>th</sup> Ave</b>	<b>S. 6<sup>th</sup> Ave</b>	<b>South Tucson</b>	<b>City of Tucson</b>	<b>City of Nogales</b>
General Merchandise Stores	23	87	84	49	60
Department Stores Excluding Leased Depts.	35	(38)	(100)	29	(16)
Other General Merchandise Stores	(17)	(17)	(100)	49	47
Miscellaneous Store Retailers	50	38	(21)	17	9
Florists	72	(93)	65	7	(100)
Office Supplies, Stationery & Gift Stores	40	(100)	28	(40)	(100)
Used Merchandise Stores	(52)	(100)	95	78	(100)
Other Miscellaneous Store Retailers	55	(70)	(27)	(35)	(100)
Non-store Retailers	(75)	43	62	25	22
Electronic Shopping & Mail-Order Houses	(100)	100	82	42	34
Vending Machine Operators	(100)	(100)	80	27	(38)
Direct Selling Establishments	(25)	44	60	25	22

Source: ESRI & Infogroup. Retail Market Place 2017. Copyright 2017 Infogroup, Inc. – February 2017 and August 2017

**Competition Within the Region**

Commercial areas that present the greatest competition for South 12th Avenue Corridor businesses are culturally-responsive and offer a diversity of products and services. These commercial areas include shopping malls and culturally-relevant shopping experiences in a neighborhood-based atmosphere.

*North Fourth Ave.*

North Fourth Avenue is located within six miles of South 12th Avenue and Irvington and is promoted by an active business association using an attractive and informative website that allows people to search for Event Calendars and Photos, Bars & Pubs, Dining, Services on 4th Ave., Shopping on 4th Ave., For Sale/For Rent links, Newsletters, Driving Directions and Parking Solutions. Interactive links are provided to the SunLink Street Car, Taxis, and Free Rides. Email services are provided to advise clients of upcoming events.

North Fourth Avenue has several advantages:

- Walkable design with proximity to the University of Arizona and Downtown Tucson, served by Tucson’s Modern Street Car.
- Sponsorship of annual street fairs that are regarded as one of Tucson’s premier community events, attended by more than 600,000 fair-goers each year.
- An active merchant’s association, the North Fourth Avenue Merchants Association, Inc., established in 1983. Most of the income used to support FAMA’s goals is derived from their biannual street fairs.

Challenges faced by North Fourth Avenue include:

- Limited on-street and off-street parking.
- Parking meters have been placed along North Fourth Avenue and there is strict enforcement.
- Resident population declines substantially during the summer when the University of Arizona is not in session.

### *Mercado San Agustin*

Mercado San Agustin, located within five miles of South 12th Avenue and Irvington, describes itself as Tucson's only public marketplace featuring a diverse selection of innovative local shops, restaurants, and a weekly farmers market. The Mercado has an attractive and informative website with links to events, each merchant, the kitchen (a shared-use small business incubator commercial kitchen), and directions. The Mercado promotes a philosophy of local growth, sustainable neighborhood principles and "green" practices.

Advantages present at Mercado San Agustin include:

- Its location within the newly developed Mercado District of Menlo Park and the future Mission District, a new mixed-use transit oriented neighborhood that will offer a mix of housing, retail, and commercial spaces.
- Location along the route of Tucson's streetcar, which provides access to Downtown, the University of Arizona, and North Fourth Avenue.
- A variety of regularly scheduled events that includes courtyard music and the farmers market, and seasonal and special events. Email services are provided to advise of upcoming events.

Challenges faced by the Mercado include:

- Limited on-street and off-street parking
- Competition from Downtown businesses and North Fourth Avenue

### *Lost Barrio Shopping District*

Although the Lost Barrio Shopping District, a historic warehouse shopping district located six miles from South 12th Avenue and Irvington, only encompasses approximately five city blocks, it offers a unique and cultural shopping experience. The District offers a selection of unique imports, furniture, artwork, and more. An attractive website provides links to individual stores, offers an interactive map, and driving directions.

### *South Sixth Avenue*

South Sixth Avenue runs parallel to, and is approximately half a mile east of S. 12<sup>th</sup> Avenue. The commercial portion of the South Sixth Avenue corridor extends from approximately East 17<sup>th</sup> Street on the north to approximately Irvington Road. A review of ESRI data for the 1.9 square mile area of the South 6<sup>th</sup> Avenue commercial corridor bordered by I-10 on the north, E Drexel Road on the south, Union Pacific rail tracks on the east, and Liberty Avenue on the West reflected that the mix of businesses is very similar that of the S. 12<sup>th</sup> Ave. Corridor:

**Table IV.5: Comparative Business Mix for S. 12<sup>th</sup> Avenue and S. 6<sup>th</sup> Avenue**

Industry by SIC Code	S. 6 <sup>th</sup> Ave.		S. 12 <sup>th</sup> Ave.	
	Businesses		Businesses	
	Number	Percent	Number	Percent
Agriculture & Mining	2	0.90%	2	0.80%
Construction	8	3.50%	13	5.10%
Manufacturing	7	3.10%	5	2.00%
Transportation	9	3.90%	6	2.40%
Communication	2	0.90%	6	2.40%
Utility	0	0.00%	0	0.00%
Wholesale Trade	7	3.10%	4	1.60%
Retail Trade Summary	67	29.40%	81	32.00%
Home Improvement	3	1.30%	5	2.00%
General Merchandise Stores	6	2.60%	4	1.40%
Food Stores	11	4.80%	9	3.60%
Auto Dealers, Gas Stations, Auto Aftermarket	7	3.10%	11	4.30%
Apparel & Accessory Stores	4	1.80%	9	3.60%
Furniture & Home Furnishings	4	1.80%	4	1.60%
Eating & Drinking Places	21	9.20%	18	7.10%
Miscellaneous Retail	12	5.30%	21	8.30%
Finance, Insurance, Real Estate Summary	14	6.10%	29	11.50%
Banks, Savings & Lending Institutions	3	1.30%	6	2.40%
Securities Brokers	1	0.40%	2	0.80%
Insurance Carriers & Agents	8	3.50%	13	5.10%
Real Estate, Holding, Other Investment Offices	2	0.90%	9	3.60%
Services Summary	102	44.70%	104	41.10%
Hotels & Lodging	1	0.40%	2	0.80%
Automotive Services	12	5.30%	17	6.70%
Motion Pictures & Amusements	4	1.80%	5	2.00%
Health Services	17	7.50%	15	5.90%
Legal Services	1	0.40%	2	0.80%
Education Institutions & Libraries	7	3.10%	7	2.80%
Other Services	59	25.90%	56	22.10%
Government	1	0.40%	1	0.40%
Unclassified Establishments	9	3.90%	2	0.80%
Totals	228	100.00%	253	100.00%

Source: Copyright 2017 Infogroup, Inc. All rights reserved. ESRI Total Residential Population forecasts for 2017. Data from August 24, 2017.

*South Tucson*

South Tucson is an incorporated city surrounded by the City of Tucson. South Tucson contains a land area of approximately 1.02 square miles, and an estimated August 2017 population of 5,575. The South 12<sup>th</sup> Avenue business corridor is approximately 1.5 miles from the southernmost corporate city limit of South Tucson, which potentially places S. 12th Avenue businesses in competition with South Tucson businesses. A review of ESRI data for South Tucson reflects the following commercial make-up:

**Table IV.6: Comparative Business Mix for S. 12<sup>th</sup> Avenue and South Tucson**

Industry by SIC Code	South Tucson		S. 12 <sup>th</sup> Ave.	
	Businesses		Businesses	
	Number	Percent	Number	Percent
Agriculture & Mining	2	0.80%	2	0.80%
Construction	13	5.10%	13	5.10%
Manufacturing	10	4.00%	5	2.00%
Transportation	10	4.00%	6	2.40%
Communication	6	2.40%	6	2.40%
Utility	0	0.00%	0	0.00%
Wholesale Trade	10	4.00%	4	1.60%
Retail Trade Summary	60	23.70%	81	32.00%
Home Improvement	7	2.80%	5	2.00%
General Merchandise Stores	1	0.40%	4	1.40%
Food Stores	3	1.20%	9	3.60%
Auto Dealers, Gas Stations, Auto Aftermarket	8	3.20%	11	4.30%
Apparel & Accessory Stores	4	1.60%	9	3.60%
Furniture & Home Furnishings	4	1.60%	4	1.60%
Eating & Drinking Places	19	7.50%	18	7.10%
Miscellaneous Retail	14	5.50%	21	8.30%
Finance, Insurance, Real Estate Summary	15	5.90%	29	11.50%
Banks, Savings & Lending Institutions	5	2.00%	6	2.40%
Securities Brokers	0	0.00%	2	0.80%
Insurance Carriers & Agents	7	2.80%	13	5.10%
Real Estate, Holding, Other Investment Offices	3	1.20%	9	3.60%
Services Summary	101	39.90%	104	41.10%
Hotels & Lodging	6	2.40%	2	0.80%
Automotive Services	23	9.10%	17	6.70%
Motion Pictures & Amusements	8	3.20%	5	2.00%

Health Services	10	4.00%	15	5.90%
Legal Services	1	0.40%	2	0.80%
Education Institutions & Libraries	3	1.20%	7	2.80%
Other Services	50	19.80%	56	22.10%
Government	12	4.70%	1	0.40%
Unclassified Establishments	14	5.50%	2	0.80%
Totals	253	100.00%	253	100.00%

Source: Copyright 2017 Infogroup, Inc. All rights reserved. ESRI Total Residential Population forecasts for 2017. Data from August 24, 2017.

The most notable differences in South Tucson’s industry mix are the number of government facilities based on the small size of the jurisdiction, the smaller number of retail venues, and reduced number of financial services and real estate service providers.

Within the City of Tucson there are three regional/super-regional malls. Regional malls typically have between 400,000 to 800,000 square feet of gross leasable area (GLA) and between 40-80 stores, while super-regional malls generally exceed 800,000 square feet of GLA. The three regional/super-regional facilities are: the Tucson Spectrum Center, the Park Mall, and the Tucson Mall.

*Tucson Spectrum Shopping Center*

Located within one mile of South 12th Avenue and Irvington, this regional shopping center offers over 1,000,000 square feet of retail property and 70 stores, and is a popular destination for cross-border shopping. Major tenants include national chain stores, restaurants, entertainment, fitness centers, and national retailers.

*Park Mall*

The Park Mall is located approximately 11 miles from South 12th Avenue and Irvington and contains 1,100,000 sq. ft. of GLA and 120 stores and 22 restaurants. This mall offers national chain stores, restaurants, entertainment, fitness centers, and national retailers that can also be found at Tucson Spectrum Shopping Center.

*The Tucson Mall*

The Tucson Mall is also located approximately 11 miles from South 12th Avenue and Irvington and contains 1,300,000 sq. ft. of GLA and 133 stores and 33 restaurants. This mall offers national chain stores, restaurants, entertainment, fitness centers, and national retailers that can also be found at Tucson Spectrum Shopping Center and Park Mall.

**V. Corridor Opportunities**

The convergence of the UNESCO World Heritage designation, the City’s strategic direction to treat S 12<sup>th</sup> as a future growth area as established in Plan Tucson, the City of Tucson General and

Sustainability Plan, and the corridor's status as a high stress area make a case for strengthening the corridor's cultural identity to create a resilient economy and cultural destination. The City now has the opportunity to create a policy framework for creating growth in these areas, strategize the programming of available resources, pursue additional funding opportunities, and serve as the catalyst for private investment.

The South 12<sup>th</sup> Avenue Corridor study area has been defined; though past planning efforts, extensive outreach performed to determine community stakeholder interests; data mined and analyzed to determine potential commercial business targeting, infrastructure conditions assessed and needs determined; and property conditions reviewed to determine improvements required.

Corridor advantages include:

1. Corridor businesses have strong ties to the community.
  - a. The provision of products and services that serve the needs of the Hispanic community promote an identity for the corridor that is unattainable by large scale regional malls. The clustering of similar businesses within the corridor creates an identity that benefits all area businesses.
  - b. According to a small business inventory done as part of the University of Arizona College of Architecture, Planning and Landscape Architecture report, *La Doce*, over half of all business owners said they lived in the community.
2. Many of the products sold are made by hand, with skills passed down from generation to generation, ensuring the continued operation of these types of speciality businesses.
3. Almost 90% of the corridor businesses are small businesses, with the anchor businesses operating for 30 to 40 years.
  - a. According to data from ESRI, 72 percent of jobs on the corridor are provided by employers with 5 or fewer employees, and 94 percent of jobs are provided by employers that have fewer than 50 employees.
4. The corridor businesses benefit from a readily available supply of local labor.
5. Retail Trade and Services are the dominant types of businesses, at 31.8% and 39.4% of all businesses on the corridor, respectively. These businesses contribute to the corridor's popularity as a regional culinary destination.
6. The corridor contributes to the local economy through significant tax contributions. Business data aggregator Infogroup, and ESRI, reported total sales in 2017 of \$122,496,711 from businesses located in the South 12th Avenue Corridor.<sup>4</sup> With the current City of Tucson sales tax rate at 2.5%,<sup>5</sup> the Corridor is generating \$3,062,418 in sales tax revenue to the City.
7. A leakage analysis identified the following industry areas as opportunities for growth along the corridor: automotive dealerships, home furnishings, lawn & garden stores, general and used merchandise, electronics, direct sales, special food services and drinking places.

The market assessment also revealed the following competitive weaknesses and challenges for the

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<sup>4</sup> Infogroup and ESRI-2017 Businesses are listed based on their proximity to the study area location.

<sup>5</sup> City of Tucson sales tax rate was raised 0.5% through a recent initiative to fund public services infrastructure and road maintenance.

corridor:

1. Product marketing can be difficult.
2. Infrastructure deficiencies in the corridor detract from the appeal of the area, thereby potentially impacting business traffic.
3. Lack of a balanced business mix result in potential business diversion or leakage to other areas.
4. Lack of capital to help small businesses grow.
5. The majority of the small businesses rent their space (79 percent according to the *La Doce* report, mentioned above). This can create challenges for businesses if revitalization efforts create a hotter commercial real estate market and push up property values and rents.

One of the major challenges facing the corridor, which City investment can be a means to addressing, are high levels of socioeconomic stress and comparatively lower incomes in the surrounding neighborhoods.

ESRI data for the S 12<sup>th</sup> Avenue study area show stagnant or low growth in incomes. In 2017, median household income was \$26,052, and ESRI projects median household income to be \$27,542 in 2022. This compares with a city-wide median household income level of \$38,331 in 2017, and a projected city-wide median income level of \$41,642 in 2022.

Educational attainment in the study area reflects a higher percentage of residents with less than a high school diploma in the study area, 42.9%, compared to 15.8% for the City of Tucson.

Housing affordability along the corridor is also a concern. Households are considered cost-burdened when they pay more than 30 percent of their income for housing. The 2011-2015 American Community Survey 5-Year Estimates show 62% of renters and 56% of homeowners are cost burdened. As the City pursues development, real estate appreciation of even a modest amount is likely to have an impact on already cost burdened residents.

Any strategy to implement necessary corridor enhancements requires a consideration of available resources. While U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) have funded various activities within the corridor, the level of resources and commitment required for major corridor improvements may warrant consideration of submitting a Neighborhood Revitalization Strategy Area (NRSA) for HUD approval. Approval of an NRSA can provide for enhanced flexibility in the programming of economic development, housing, and public service activities with CDBG or Section 108 funds.

Briefly, an approved NRSA provides enhanced flexibility in undertaking economic development, housing, and public service activities with their CDBG funds. Areas of enhanced flexibility include:

1. Job creation or retention efforts focused on the selected neighborhood may be classified as meeting the LMI area benefit national objective requirements.
2. Aggregation of housing units for which CDBG funds are obligated during each program year and treat them as a single structure; 51 percent of total units must be occupied by LMI households.

3. Economic development activities carried out in the NRSA may be excluded from the aggregate public benefit standards.
4. All public services offered within the NRSA and carried out as part of qualified projects under the NRSA by a Community-Based Development Organization (CBDO) are exempt from the 15% public services cap. This flexibility includes job training and other employment related services and as such, it can provide an important foundation for economic opportunity for neighborhood residents.

The Section 108 program is the loan guarantee component to the CDBG Program that provides a source of financing for economic development, housing rehabilitation, public facilities, and other physical development projects. The Section 108 program can provide loans large enough to pursue physical and economic revitalization projects capable of renewing entire neighborhoods; with funds that can be used by the City to undertake eligible projects, or, alternatively, can be loaned to a third-party developer to undertake the projects.

The City may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans; and secures the loan by pledging current or future CDBG allocations to either repay the loan or secure it.

For purposes of determining eligibility, the CDBG rules and requirements also apply. All projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community.

Activities eligible under CDBG include:

- Acquisition of real property
- Rehabilitation of publicly owned real property
- Housing rehabilitation eligible under CDBG
- Construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements)
- Related relocation, clearance, and site improvements
- Payment of interest on the guaranteed loan and issuance costs of public offerings
- Debt service reserves
- Finance fees
- Public works and site improvements that are part of the overall project
- In limited circumstances, housing construction as part of community economic development

## VI. Recommendations

The South 12<sup>th</sup> Avenue Corridor study area has been the subject of multiple studies and extensive outreach to determine community interests. Data has been gathered and analyzed to determine potential commercial business targeting, infrastructure conditions have been assessed, and property

conditions have been reviewed to determine improvements needed.

Any strategy to implement corridor enhancements requires a consideration of available resources and a clear articulation of priorities. U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) monies have already funded various activities along the corridor. However, for a strategic and comprehensive revitalization to take place the level of resources and commitment required for major corridor improvements warrants careful consideration of which resources the City of Tucson is willing to dedicate.

What follows are suggested potential projects. A more detailed analysis of project feasibility and implementation, would require clear goal-setting and direction from City staff and leadership to provide a framework for entitlement fund project design.

### **Recommended short term corridor enhancement efforts should include:**

#### 1. Establishing Key Intersections as Gateways

In facilitated conversation with City of Tucson staff, and based on analysis of the S. 12<sup>th</sup> Avenue corridor, NALCAB has proposed two major intersections along S. 12<sup>th</sup> that present multiple opportunities for focusing corridor improvement efforts, and for serving as gateways that anchor the identity of the corridor: the intersection of S. 12<sup>th</sup> Avenue and W. Ajo Way, and the intersection of S. 12<sup>th</sup> Avenue and Nebraska.

Ideally, efforts will be concentrated in the areas immediately surrounding these specific intersections, taking advantage of concentrated nodes for City of Tucson investment, and by extension, facilitating opportunities for development in between. To the extent possible, the City of Tucson should consider strategically assembling land at these key intersections, particularly at S. 12<sup>th</sup> Ave. and Ajo, and thus providing the ability to implement development in keeping with the vision it establishes for the corridor. The following examples, illustrate potential approaches at each of these two intersections:

#### S. 12<sup>th</sup> Avenue and W. Ajo Way

The intersection of S. 12<sup>th</sup> Avenue and W. Ajo Way is anchored at the northwest corner by St. John's Evangelist Catholic Church, which has been serving the area since 1949, as well as the adjacent St. John's Evangelist Catholic School. On the northeast corner, a Circle K gas station-convenience store is in operation in addition to a strip commercial center; while on the southwest corner, there is a Walgreens pharmacy. The southeast corner contains an auto lender, a vehicle registration service, and a tire shop.

As the northernmost intersection of two arterial streets along the corridor, the intersection of S. 12<sup>th</sup> Avenue and W. Ajo Way provides unique opportunities that can establish a gateway at the northern end, and enhance and benefit the broader S. 12<sup>th</sup> Avenue corridor. The average daily estimated traffic count is between 14,355 to 30,868 vehicles. There are also two Sun Tran Core Bus routes that run on S. 12<sup>th</sup> Avenue and on W. Ajo Way. The high traffic volume contributes to high visibility and accessibility, and an ideal location for destination identification as part of a larger wayfinding effort.

Potential development options include development of new senior housing with community space at the Southeast corner of the intersection of S. 12<sup>th</sup> and Ajo Way. Doing so would establish

complimentary uses in keeping with the current fabric of the community. As a first investor, the City could use a development of this kind to signal the creation of a market, while ensuring development is reflective of the current population and provides clear community-benefit.

### S. 12<sup>th</sup> Avenue and Nebraska

The intersection of S. 12<sup>th</sup> Avenue and W. Nebraska Street is anchored at the northwest corner by La Estrella Bakery, which has been operating since 1986. On the northeast corner, there is a small commercial building located on a sizable commercial lot. Business licensing for this property was not available, however, a food-truck business, Tacos De Cabeza Estilo Cajeme, is operating on the open undeveloped portions of the property. 12th Ave Rent-All, an equipment rental firm, is located on the southwest corner, with Alejandro's Tortilla Factory located directly south of the rental yard. On the southeast corner is J.G. Plaza, an older commercial strip center housing a number of commercial tenants.

In addition to Alejandro's Tortilla Factory, a number of other landmark local food businesses also operate in close proximity to the intersection: El Guero Canelo, BK Tacos, and El Herradero, a specialized grocery store and butcher catering to Hispanic households, are all destinations for visitors to the corridor.

Both of these intersections feature a number vacant or underdeveloped parcels in close proximity to these intersections, as well as older commercial structures within close proximity which could benefit from upgraded facades and improvements, better parking configuration and circulation, and improved signage.

### *Site Control Options to Enhance Development Potential*

Related to the two key intersections above, in general, the South 12<sup>th</sup> Avenue Corridor contains a number of vacant and vacant-adjacent under-utilized properties which could potentially represent development opportunities for enhancement of the commercial district. The ability to assemble land provides expanded options relative to the scale of development and making a greater impact on the community.

After identifying a target property or properties, the initial step is to perform due diligence investigations relative to:

- An assessment or appraisal of value
- environmental matters and conditions on both the subject property and adjacent sites
- current site conditions, past ownership and former uses
- title and survey considerations
- seller representations and warranties
- disposition of taxes and other liens
- water and utilities availability
- obtaining any existing property agreements
- determining any historic property designations
- land use, zoning and development requirements.

If the property remains a viable acquisition and development candidate subsequent to the due diligence review, then the next step is to obtain site control. The property valuation derived from the due diligence review is a critical component in the site control negotiating process. Site control is generally achieved by a negotiated option agreement or purchase agreement.

### 2. Promote Community Based Small Business Development Services

Facilitating the expansion and formalization of existing businesses and development of new businesses is a critical factor in enhancing the business climate of the corridor. Coordinating with lenders and lending programs, and technical assistance non-profits, including the YWCA, Acción, Prestamos, PPEP Microbusiness and Housing Development Corporation, and Pima Community College, among others, can help entrepreneurs along the corridor realize their business goals. It is critical to ensure that small business lenders, Community Development Finance Institutions (CDFIs), and technical assistance providers offer culturally relevant support and a range of loan products to fit entrepreneurs' needs. Culturally relevant support should include identifying sources of capital, assessing business viability, developing business plans, building financial management skills and credit, tax planning, marketing, and governmental compliance. These efforts should cover the life-cycle of a business, from start-up or formalization, to expansion or adaptation.

### 3. Supporting Development of a Commercial Kitchen/incubator.

NALCAB member asset-building non-profits have successfully launched commercial kitchens and *mercados* in communities across the country. These types of developments can serve multiple ends, including incubating food and craft-based small businesses, cutting down on overhead costs for the entrepreneurs, and fostering a distinct cultural character and sense of place. The work done by the Southwest Folklife Alliance, the Community Foodbank of Southern Arizona, the Community Foundation of Southern Arizona, Tierra y Libertad Organization, and the City of Tucson Planning and Development Services Department speaks to the prevalence and cultural importance of food-based businesses along the corridor, and the need to address the challenges small scale home cooks or entrepreneurs face in either scaling or formalizing their business.

La Cocina in San Francisco, California, is a well-known non-profit, operating a commercial kitchen while offering sustained one-on-one technical assistance and coaching targeted to low-income women and immigrant entrepreneurs to formalize and scale their businesses. La Cocina was created to reflect the Mission District in San Francisco, and the diverse and economically vulnerable informal businesses serving the community. La Cocina helps turns inconsistent and informal home businesses into formal small businesses and has an extensive list of graduates that sell their merchandise locally, regionally, nationally, and internationally.

Hacienda Community Development Corporation in Portland, Oregon, operates the Portland Mercado, which is both a commercial/commissary kitchen and an indoor/outdoor food market and community center. Hacienda's vision, borrowing directly from La Cocina, was the result of a grassroots effort to respond to regional wealth disparities and the desire to establish a nucleus of Latino commerce. Both La Cocina and Hacienda CDC take it as part of their mission to educate other asset-building non-profits interested in establishing a similar model. The Portland Mercado boasted

impressive outcomes in their first year of operation, including \$2.5 million in sales for 19 small businesses, the creation of 114 new jobs, and an average of 580 visitors a day.

NALCAB members have successfully applied for and used Department of Health and Human Services Office of Family Services Community Economic Development (CED) grant funds, to seed the creation of their commercial kitchen/*mercado* models. In pursuing a model like this, it is important to consider who could operate and manage the facility long term. In conducting interviews, NALCAB learned the YWCA is preparing to launch a commercial/commissary kitchen in close proximity to the S. 12<sup>th</sup> Avenue corridor. This is an exciting opportunity that should be supported with local resources, and could benefit from contact with either of the two organizations mentioned above.

#### 4. Marketing Corridor Assets

It is a rare honor to be declared a World City of Gastronomy by the United Nations Educational, Scientific, and Cultural Organization (UNESCO), and more significantly, to be the very first city in the United States to receive such a designation. Because of the strength of the culinary experience along the South 12th Avenue Corridor, this designation sets it apart from competing markets and should be emphasized through events, marketing, and promotions. Currently, inadequate signage, infrequently placed in the community and missing from the gateways to the city, reduces the ability of the Corridor to leverage the City of Gastronomy designation.

UNESCO's designation of Tucson as a City of Gastronomy is an asset that should be built upon. A wayfinding program should be implemented to identify corridor eateries, with signage placement at all major high visibility intersections and destination signage at all landmark corridor businesses. Additional marketing efforts might also include events that tap into the theme of gastronomy, such as conducting food festivals, heritage day events, or themed cook-off events.

#### 5. Funding a District Manager position

Provision of initial seed funding for a manager position would ensure that all corridor efforts are implemented as programmed and on schedule. Given the anticipated magnitude of the improvement effort, a dedicated manager would be responsible for coordinating all aspects of improvement efforts while serving as a direct liaison to the City, the business community, and residents. Various interviews and conversations have made clear that there are several informal point people along the corridor, who are asked a range of questions on subjects ranging from real estate development and building improvements, to business development, to updates on street improvements. A district manager housed in an existing or newly established non-profit or business association like the structure of the North 4<sup>th</sup> Avenue group, would allow for more efficient flow of information between the City and residents. On-going funding for the position could be obtained from programmed resources, like events, once mid-range and long-term activities are implemented.

#### 6. Maintain Residential Repair Programs that provide assistance to area property owners

The City has experience with residential rehabilitation programs that assist in the repair of owner-occupied properties. Providing resources for housing rehabilitation will assist in maintaining the stock

of housing within the corridor. This will allow residents to leverage the benefits of any investments that take place along the corridor.

### **Recommended mid-range corridor enhancement efforts should be directed toward:**

#### 1. Performing Infrastructure Improvements

The physical assets of a community are one of the primary means for effecting economic development outcomes. Communities whose physical assets are run-down, worn, or functionally obsolete often fail to attract investment.

Significant stretches of the Corridor lack a completely connected network of handicap accessible walkways, marked pedestrian street crossings, street lighting, and covered bus shelters, all of which enhance pedestrian safety and address the needs of a community that largely uses alternate modes of transportation.

The *La Doce* report described the pedestrian experience of walking along South 12th Avenue as dangerous. From 2009 to 2013, Tucson Police Department reported there were 3 pedestrian fatalities, 9 hit-and-run accidents with bikes and pedestrians, and 16 injury accidents with pedestrians and cyclists along the Corridor. Pedestrian right-of-ways exist from 44th Street to Ajo Way, and a few blocks north of Drexel Road have sidewalks on both the east and west sides of the streets. However, sidewalks are sparse, interrupted by un-improved walkways, and are often non-existent between Ajo Way and south of Nebraska Street. Walkways are also broken up by vehicle pullouts, making pedestrian safety a concern. Parking lots and vehicle pullout pavement often merge together. Walkways are also often interrupted by signs and utility poles that block pedestrian passage between the street and businesses.

Along the 4.8 mile stretch of South 12th Avenue running from 40th Street to Los Reales Road, there are 31 bus stops on the east and west sides of the road. However, 39% do not offer covered places to sit while waiting for the bus.

The *La Doce* report also shows the surrounding neighborhoods have multiple streets with bike lanes and multi-use paths. However, the entirety of S. 12th Avenue between 44th Street and Drexel Road (with the exception for a small length of bike lane that runs south of 44th Street) has no bike lane. This contributes to a car-centric environment that is hazardous for cyclists.

Infrastructure investment should be made in sidewalks, bus shelters, street improvements, bicycle lanes, and other such capital projects. Limited right-of-way conditions will require innovative solutions, potentially including lane reductions or road re-channelization, to complete sidewalk installations and improve vehicular access to businesses.

#### 2. Leveraging investments in anchor businesses to create job training opportunities.

Assess which businesses along the corridor who would be interested and have capacity to scale up the size of their business and absorb additional employment. A review of business data via ESRI shows micro-enterprise businesses with 5 or fewer employees provide 72% of the jobs along the Corridor.

Small businesses with 6 to 49 employees provide 22% of the jobs on the Corridor, and three businesses employ more than 50 employees, providing 1% of all jobs in the Corridor. These employers include Alejandro's Tortilla Factory with 94 employees, A & S Paving Inc. with 70 employees, and Peter Piper Pizza with 50 employees; El Guero Canelo's two businesses along the corridor have a combined 47 employees, falling just shy of 50. Other businesses, like La Estrella Bakery, Guero Canelo, and BK's, have established franchises in other parts of the city, pointing to additional employment or job training opportunities both on and off the corridor. Approaching these businesses to understand their capacity and willingness to host this kind of programming would be a good first step.

### 3. Relocation of Public Service Providers

The availability of commercial space in the corridor, as well as the availability of vacant land, offers opportunities for the placement of municipal services and public service providers. Encouraging the relocation of public and non-profit providers to the corridor would assist in reducing vacancy rates, expand commercial traffic potential in the corridor, and form a local core of services providers in a centralized location.

### **Recommended long-term corridor enhancements should be directed toward:**

#### 1. Continuing to build non-profit capacity

Efforts to revitalize this and other corridors will be limited without the participation and support of active and high-capacity non-profit partners. Savvy community based organizations can leverage funds received by local government and provide culturally relevant service delivery to residents and business owners, and can be strong partners in sharing pressing community needs. NALCAB has included a memorandum outlining non-profit capacity building best practices as an attachment to this document.

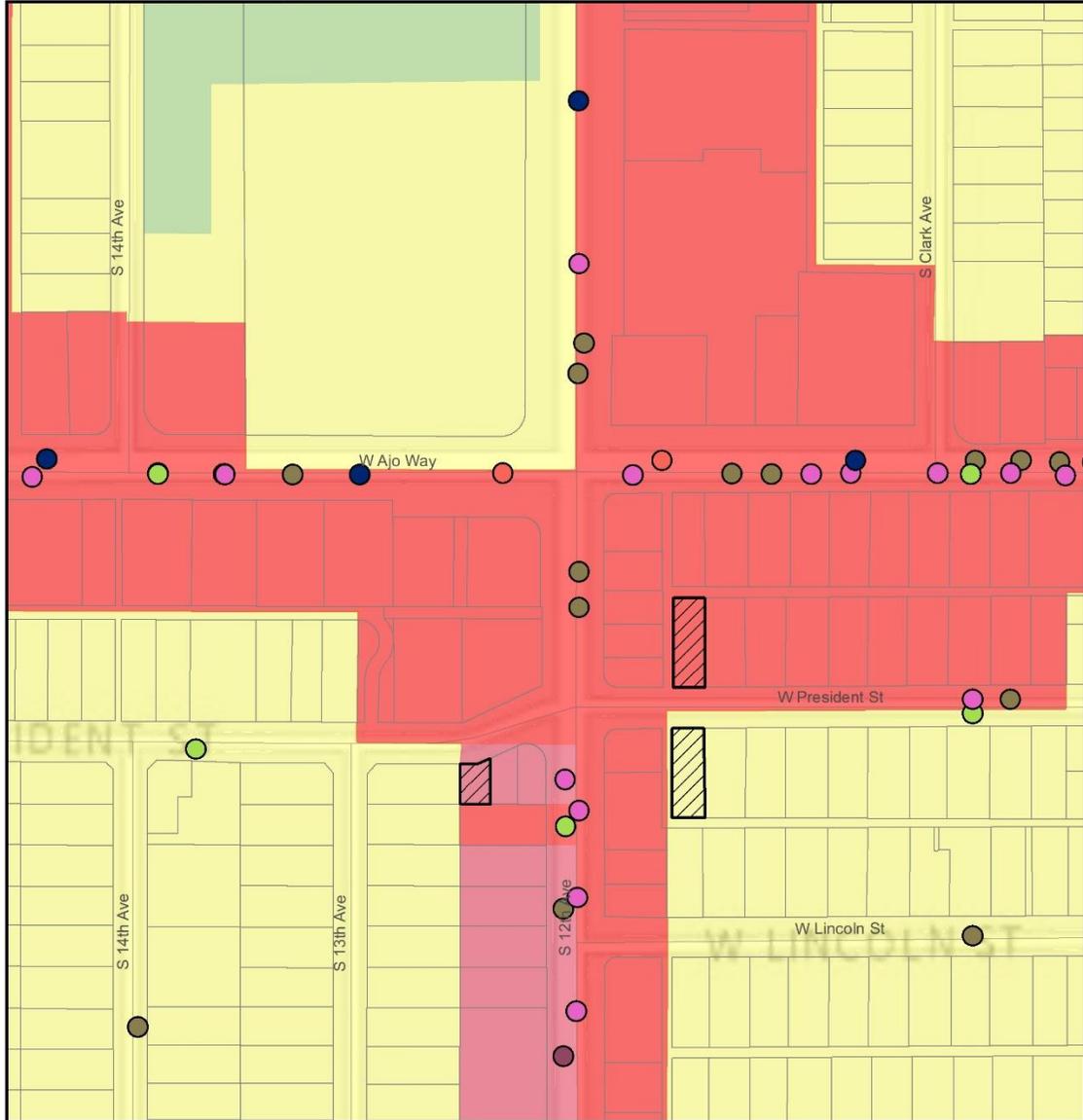
#### 2. Targeting the large-scale vacancies around the corridor

The South 12<sup>th</sup> Avenue Corridor and surrounding areas contain a number of large-scale vacant and vacant-adjacent under-utilized properties which could potentially represent prime development opportunities for enhancement of the commercial district. The ability to assemble land provides expanded options relative to the scale of development and makes a greater impact on the community.

Figure IV.1: Key Intersection Map: S. 12<sup>th</sup> Avenue and Ajo Way

## S. 12th Ave and W. Ajo Way

S. 12th Ave, Tucson, AZ



Date Created: 11/27/2017

Source: City of Tucson, US Census



0 0.01 0.02 0.04 Miles

### Business License Type

- Restaurant/Bar
- Rental Tangible Personal Property
- Rental Real Property
- Construction Contracting
- Retail Sales
- Service Related

- Single Family Residential
- Commercial
- Office
- Park and Recreation Areas
- Vacant Properties
- S. 12th Ave Area
- Major Highways

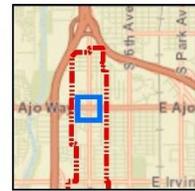
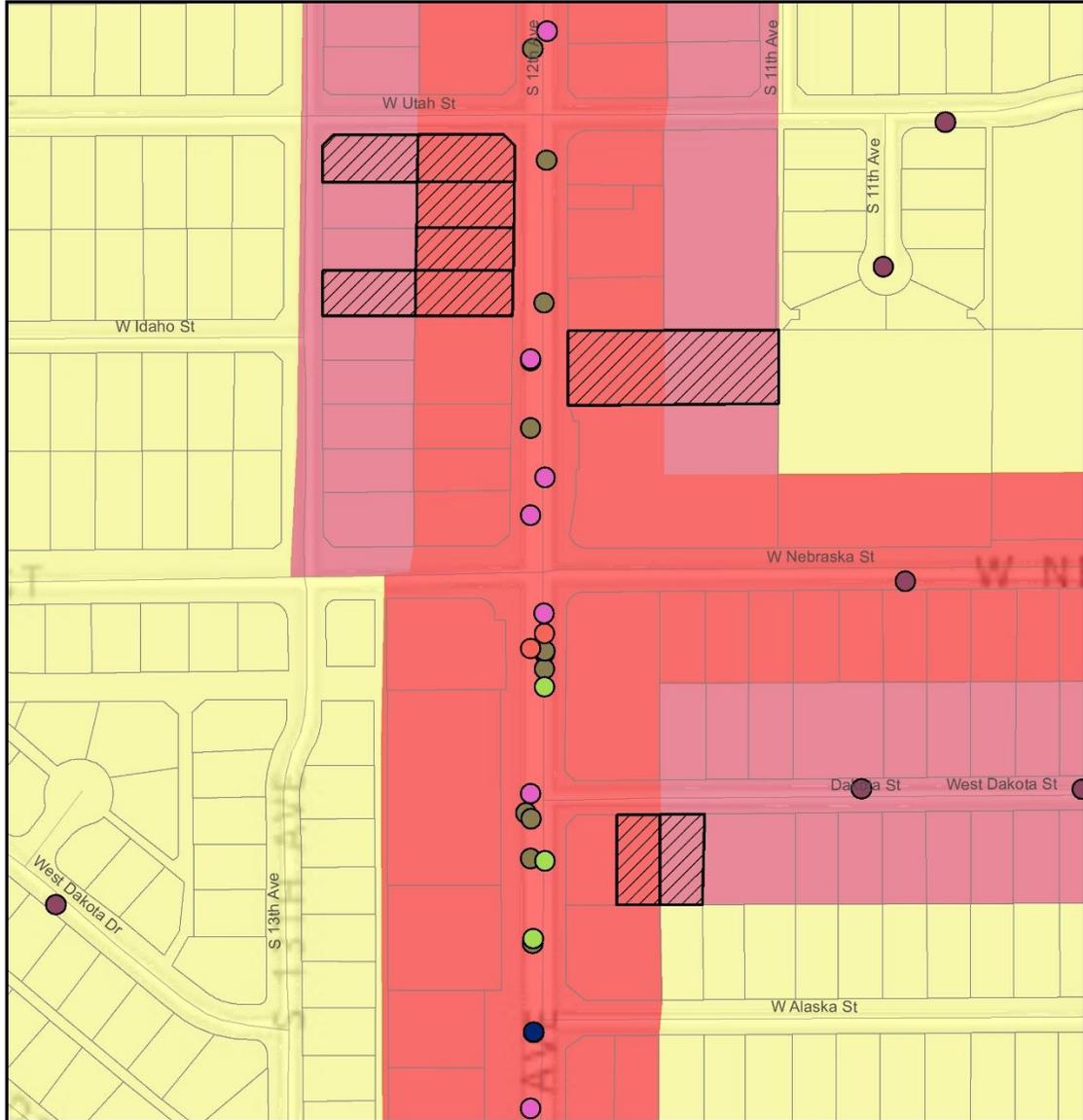


Figure IV.2: Key Intersection Map: S. 12<sup>th</sup> Avenue and W. Nebraska Street

## S. 12th Ave and W. Nebraska St

S. 12th Ave, Tucson, AZ



Date Created: 11/27/2017  
Source: City of Tucson, US Census



0 0.01 0.02 0.04 Miles

**Business License Type**

- Restaurant/Bar
- Rental Tangible Personal Property
- Rental Real Property
- Construction Contracting
- Retail Sales
- Service Related

Single Family Residential

Commercial

Office

Vacant Properties

S. 12th Ave Area

Major Highways

